

**Merchants and Business District Revitalization:
A Case Study of Codman Square**

by

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Submitted to the
Department of Urban Studies and Planning in
Partial Fulfillment of the Requirements for the Degree of

Master in City Planning

at the

Massachusetts Institute for Technology

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Abstract

This thesis is an exploratory study into the processes behind the revitalization of Codman Square, a neighborhood business district that has suffered from prolonged economic and social decline. Initially, it appeared that an integral element of the success of Codman Square's revitalization efforts was cooperation among its small merchants and other stakeholders in the business district. However, closer examination revealed that a large percentage of merchants did not contribute to business district improvements. Instead Codman Square's revitalization is largely the result of local institution-led efforts that have benefited from the support of city government.

This thesis focuses on the relationships among merchants and these other actors and explores the reasons why merchants have not contributed to revitalization efforts in Codman Square. This thesis explores the role small merchants can be expected to play in business district revitalization activities and the extent to which their involvement is necessary. Through a case study of Codman Square over the past twenty years, I identify the incremental strategies and activities through which improvements were engendered in the business district and the extent to which merchants were involved. Through this exploration I provide a detailed account of the merchants and identify the obstacles they face to contribute to business district improvement efforts. In concluding, I illustrate how the experience of Codman Square's recent revitalization can be adapted and applied to distressed business districts elsewhere.

Thesis Supervisor: Karl Seidman, Lecturer

Thesis Readers: Langley Keyes, Ford Professor of City and Regional Planning
Mel King, Adjunct Professor of Urban Studies and Planning

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Chapter One. Introduction

Located in the Boston neighborhood of Dorchester, Codman Square is an inner city business district which primarily serves a low-income population from the surrounding residential areas. Once a thriving commercial center, Codman Square has been negatively impacted by disinvestment through structural changes which resulted in a declining population and income levels in the area, crime, and competition from nearby shopping centers.

Although this disinvestment is manifest in distressed graffiti-ridden buildings, vacant storefronts, and a number of marginal businesses which provide a limited selection of goods, Codman Square has a number of freshly painted storefronts and new or restored buildings. The streets are lively during the day with a considerable amount of vehicle and pedestrian activity.

These signs in conjunction with conversations I had with a number of community development professionals, and a review of recent newspaper stories and reports indicated to me that Codman Square has been going through a revival that began in the early 1990s. In spite of the structural changes and seemingly intractable problems of crime in the neighborhood that led to decline in the business district, Codman Square has had a physical and economic revitalization over a relatively short period of time.

The Case

Contemplating Codman Square's success, I reread an article that appeared in the Boston Globe in 1992. I was struck by a sentence I had read. "Two years after the once thriving Codman Square appeared to be dissolving into an urban ghost town,

the shutters are off dozens of storefronts, shoppers are back on the streets and the neighborhood is on the road to recovery thanks largely to an alliance of merchants, city agencies, private lenders."¹ Unlike many inner city business districts with which I was familiar, Codman Square appeared to benefit from a singular attribute that contributed to its revitalization: merchant cooperation.

I was, therefore, intrigued by the role merchants had played in revitalizing Codman Square and was interested in understanding why this group of merchants cooperated, whereas in similar areas merchants do not appear to cooperate. The main objective for my research was to develop a framework for understanding why and how Codman Square merchants worked with public agencies and lenders in business district revitalization efforts.

Guiding this research into the nature of merchant cooperation, I set out to answer a number of questions:

- What were the obstacles or perceived risks to cooperation?
- What were the reasons or motivations to cooperate?
- What were the benefits of cooperating?

I also explored the extent to which any program design or relationships fostered cooperation among merchants and additional factors that might have contributed to success.

However, in the course of my research I found that most of the efforts that have sparked revitalization of Codman Square did not involve merchants. In instances

¹Boston Globe, October 1992

where merchants did cooperate, only a handful of them actually did. Moreover, merchant cooperation was not necessary in most cases, but efforts to continue to improve the business district appear to be limited if merchants continue to withhold cooperation.

Out of my research, several features did emerge as critical forces that have shaped the way Codman Square responded to issues of destabilization since the 1970s and continue to play a major role in ongoing revitalization efforts. A primary feature of Codman Square is the presence of a number of institutions located in close proximity to each other around the center of the square. These institutions are members of a rich network of organizations, individuals, and merchants that emerged to respond to the crisis and instability in the business district in the late 1970s. The second feature I identified is a tradition of cooperation, trust and mutuality of interests among these actors which has allowed them to work together in efforts to improve the business district.

Although a small number of the merchants in Codman Square are members of the network, a critical mass of the square's small merchants are neither involved in community affairs nor this network. Throughout this thesis I examine the underlying reasons why certain merchants have been engaged around business district issues while others have not.

The Thesis

This thesis is an exploratory study into how Codman Square emerged from the structural processes that threatened its viability and still continues toward revitalization. I explore the roles that merchants and "the network" have played in the business district's revival and how each responds to the same sets of issues. I

also examine the underlying reasons for merchant cooperation when it has occurred and attempt to illustrate particular conditions under which merchants do cooperate.

I also investigate the ways that merchants and the network of groups and individuals came together, changed, and how they have responded to external and internal forces that have threatened Codman Square. Thus, this thesis begins at a point of time when the business district was seen by many as being on the brink of widespread deterioration and decline and traces merchant and community responses to a set of dramatically shifting circumstances over the course of a twenty year period. Finally, I explore the issues facing the revitalization of Codman Square today and how these actors respond.

Thesis Outline

In the next chapter I introduce the conceptual framework and methodology for this study. In chapter three I present the case study in which I review the structural changes that led to the decline of the business district and their impact on retail activity and the nature of Codman Square merchants; the formation of the network of actors who have led revitalization efforts; and the activities which improved the business district. Chapter three also identifies traits and behavior common to many of the small merchants and describes the extent to which these merchants have been involved in revitalization efforts in the business district.

In chapter four, I analyze the case study through the conceptual framework introduced in chapter two and explain why institutions and other stakeholders have been able to overcome the problems of collective action, promote economic development and become entrepreneurial in leveraging their resources to address business district issues while the merchants to a large degree have not. Then I draw

conclusions about the role merchants can be expected to play in low-income, inner city business districts and the extent to which their cooperation is needed. Lastly, I illustrate how the experience of Codman Square's recent revitalization can be adapted and applied to distressed business districts elsewhere.

Chapter Two. Conceptual Framework and Methodology

Introduction

Although Codman Square's business district flourished during the 1940s, it began to decline throughout the next three decades as the nature of retailing shifted from traditional inner city commercial centers to the increasing number of malls and shopping centers that began to spring up around the city's periphery. By the mid 1970s many businesses were leaving the square. Commercial properties that were not filled due to low market demand were left abandoned and subsequently vandalized. Heavy arson activity and crime also plagued the square which culminated in looting and rioting during the 1978 blizzard after which two dozen merchants left the business district. By the late 1970s only a handful of businesses remained among boarded up store fronts. The perception and reality of crime and disinvestment kept both viable businesses and shoppers away from the business district; Codman Square had become a symbol of urban blight.

However, since the early 1990s the Codman Square business district has experienced a phenomenal revival. Today, a number of neighborhood institutions, stores, and businesses attract hundreds of people into the square each day. For the people who shop and work in the business district, the business and shopping environment is enhanced by an overall sense that the square is safe during business hours.² People who live and work in and around the square do their banking, cleaning, hardware

²In interviews and surveys, shoppers and employees in the business district expressed that they felt safe during the day in Codman Square. However, they generally felt that the business district was unsafe at night. Results of a Boston Police Department survey administered to residents living in police district C-11 which encompasses all of Dorchester reflect these attitudes. Of the resident respondents, 97 percent expressed they "feel safe moving around alone in their individual neighborhoods during daylight hours" compared to 93 percent of the people who responded citywide. Only 47 percent -- compared to 55 percent citywide -- felt "equally safe during nighttime hours". (Office of Research and Analysis, Boston Police Department, "The 1995 Public Safety Survey". Unpublished document, 1995.)

and convenience shopping in Codman Square. In the business district there are also numerous small businesses which cater to Boston's West Indian and other immigrant communities including a bakery, restaurants and a number of service-oriented businesses.

The center of Codman Square lies in and around the intersection of Washington and Norfolk Streets and Talbot Avenue. At this core are four historic nineteenth century buildings which conjure up the image of a civic community. At the center are the Lithgow Building, the Second Church, the colonial revival building that houses the Codman Square Health Center's Neighborhood Center, and the old Latin Academy building which lies just behind the Second Church.

The Lithgow Building is the anchor commercial property in the square. It houses a bank branch, a pharmacy, Dorchester Counseling Services, a tax preparation company's branch office, and the offices of the Codman Square Neighborhood Development Corporation. In addition, a number of institutions, including the newly renovated health center and senior center located across Washington Street from the Lithgow Building and the Dorchester District Court located on upper Washington Street, attract hundreds of clients, visitors and employees to Codman Square. These institutions make Codman Square a bustling center of activity during business hours.

To the north of Codman Square's center along Washington Street, a number of small businesses in one-story commercial buildings dot the streetscape along with a handful of vacant store fronts with graffiti-laden metal grates pulled across them. Although a number of the facades are newly painted with attractive signs, many have a tired, worn look to them. These stores cater primarily to the low-income

population in the nearby residential neighborhoods. Although Codman Square's residential base is diverse in both racial and economic terms, many middle income residents do not patronize the square, choosing instead to shop at a number of neighboring shopping areas.

The Case Study

This thesis is a qualitative, exploratory study on revitalization efforts in the Codman Square business district. I use the case study method to identify the incremental strategies and activities through which improvements were engendered in the Codman Square business district and the extent to which merchants were involved. Through this exploration I provide a detailed account of the merchants throughout a twenty year period and their obstacles to cooperating with others around business district improvement activities. The case study method enabled me to trace cooperative efforts through time which have engendered positive change in the business district and piece together a framework for understanding under which circumstances merchants participate or withhold cooperation in revitalization activities.

The case study method also enabled me to provide a context for the activities I describe. I examine the impacts of external events, circumstances and relationships which may have affected the causal linkages between merchants and others' efforts and/or the outcomes achieved. In doing so, I also explore another set of stakeholders in Codman Square whom I identify as key actors in the revival of the business district. These actors are Codman Square's institutions, neighborhood organizations and residents who work together on business district issues.

Finally, the case study method allows me to bring the current activities of these sets of actors into better focus to explore the challenges that the Codman Square business district faces today.

Literature Review

In this thesis I analyze the propensity for and experience of merchants and others to cooperate around business district improvement efforts throughout Codman Square's recent history of decline and revitalization in light of three theoretical perspectives on cooperation from the economic and sociology literature. These theories help explain both why it is difficult to achieve cooperation and why particular actors overcome self-interested behavior and engage in collective action.

Public Choice Theories of Collective Action

From the economics literature, public choice theories of collective action contribute to understanding the propensity of individuals and groups to cooperate or to withhold participation in business district revitalization efforts -- even when evidence appears to exist that they will be better off if they cooperate.³

Preeminent among these theories is the prisoners' dilemma which illustrates that when individuals pursue their own self interests, it leads to inferior outcomes than if they cooperate with others.⁴ Mancur Olson suggests that if the benefits from collective efforts can be shared by others, it will be difficult for individuals and

³Gittell, Ross, J., Renewing Cities. New Jersey: Princeton University Press, 1992, p 34.

⁴ Gittell provides the following description of the prisoner's dilemma: "In the classical version of the prisoners' dilemma, a district attorney offers, individually, each of two prisoners release from jail if they give evidence that will convict the other. If one remains silent but the other gives evidence, the prisoner who kept silent will receive a heavy jail term but his compatriot will be released. If both remain silent they will both get only a short term in jail. If both give evidence they both will get moderate terms. For each individual, the best strategy is to give evidence on the other, however, if both give evidence, they will be worse off than if they had kept quiet." (Gittell, 1992, p. 199)

groups to overcome their self-interested behavior, in spite of the fact that they will also benefit from cooperation.⁵ According to Gittell, "Olson's logic applied to local development efforts suggests that local actors (...) will act cooperatively only when it is in their best economic interest to do so. If the benefits from development are non-excludable and evenly distributed, Olson suggests (...) that it will be difficult to generate collective effort in local economic development, (because) it will be in the interest of different groups to attempt to free ride (i.e. withhold participation while benefiting from others' efforts), and the end result will be a tendency towards inaction".⁶

Public choice theories also provide insight into the motivations for different economic, political, and community actors to act collectively in city development activities. As business district revitalization touches upon quality of life, community economic development, public safety and tax base issues, the stakeholders in the process of improving distressed areas are numerous. Improving neighborhood business districts is everyone's business -- in addition to merchants it is in the interest of local residents, property owners, institutions and government to have healthy, safe areas of local commerce.

Although Olson's work on problems of collective action explains the economic reasons why actors cooperate, it falls short in explaining other motivations for cooperation⁷ such as civic-minded behavior, nor does it explain how groups or networks of actors are formed and strengthened. The vast and growing literature on networks and social capital contributes to understanding how local actors overcome

⁵IBID, p34 . In his analysis of local development efforts, Gittell draws upon Mancur Olson's work on public choice theory, The Logic of Collective Action. Cambridge, MA: Harvard University Press, 1965.

⁶IBID, p34

⁷IBID, p35

problems of collective action to come together to reach better outcomes in business district revitalization efforts.

Network Theory

Network theory comes from institutional economics often referred to as the "new institutionalism" and is commonly associated with the writing of Powell and DiMaggio. According to these economists, economic choices are imbedded in institutions and their contexts. These contexts, therefore, determine the spheres within which decisions are made. This view is more macro in orientation and encapsulates the current discourse over the phenomenon of downsizing, flexible specialization, and outsourcing and has been applied to explore the networks of relationships within and among firms. This literature focuses on the traits and benefits of networks and identifies them as falling within the spectrum between markets and hierarchies.

According to Powell, networks are secured by relationships based on trust.⁸

Networks are "more social-- that is, more dependent on relationships, mutual interests, and reputation -- as well as less guided by a formal structure of authority" than corporate hierarchies or markets in which "no trust is required, and agreements are bolstered by the power of legal sanction... when relations do matter, they are frequently defined as if they were commodities."⁹

⁸Indegaard, Michael, "Making Networks, Remaking the City", *Economic Development Quarterly*, Vol. 10, No. 2, May 1996, p173.

⁹Powell, Walter, "Neither Market nor Hierarchy: Network Forms of Organization", Research in Organizational Behavior, ed. B. Straw and L. Cummings. Greenwich, CT: JAI, 1990, p301-2 as cited in Indegaard, Michael, "Making Networks, Remaking the City", *Economic Development Quarterly*, Vol. 10, No. 2, May 1996, p173.

Moreover, Powell characterizes networks as being strengthened by "reciprocal patterns of communication and exchange" and "dense ties" and through "the exchange of distinctive competencies".¹⁰ In addition, when network members undertake joint activities and share information it often leads to "the emergence of common values."¹¹ According to Indegaard, trust and social relationships are not only the conduit for network engagement and exchange -- they are also an outcome.¹²

Social Capital

The third body of literature from which I draw my analysis is that on "social capital" which has been given major attention recently in the community development field, in large part due to the work of Robert Putnam's research on networks of civic, political and economic institutions in northern Italy. Social capital explains the role of civic community in overcoming problems of collective action. Analogous to Powell's institutional context, social capital is dependent on a broader social context. According to Putnam, social capital refers to "features of social organization such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions."¹³

Whereas the networks literature explores how to operationalize social capital, the social capital literature suggests that cooperative communities exist and flourish with successive engagements, giving rise to networks. According to Keyes, et al., "at its core, social capital is about interdependence and collaboration and is useful in

¹⁰IBID, p173.

¹¹IBID, p174.

¹² IBID, p174.

¹³Putnam, Robert D. Making Democracy Work: Civic Traditions in Modern Italy. Princeton, New Jersey: Princeton University Press, 1993, p177

teasing out the dynamics of (...) institutional network(s...)."¹⁴ Social capital is the "glue" which secures networks in "the sense of mutual reciprocity of the resolution of dilemmas of collective action and the broadening of social identities."¹⁵

Stocks of social capital, such as trust, norms, and networks, tend to be self-reinforcing and cumulative. Virtuous circles result in social equilibria with high levels of cooperation, trust, reciprocity, civic engagement, and collective well-being. These traits define civic community.

Conversely, the absence of these traits in the *uncivic* community is also self-reinforcing. Defection, distrust, shirking, exploitation, isolation, disorder, and stagnation intensify one another in a suffocating miasma of vicious circles. This argument suggests that there may be at least *two* broad equilibria toward which all societies which face problems of collective action (that is, *all* societies) tend to evolve and which, once attained, tend to be self-reinforcing.¹⁶

While public choice theories illustrate the economic rationality behind behavior, the network and social capital literatures suggest that there are other factors that explain why some actors cooperate while others do not. In other words, individual and group behavior is affected by the contexts within which they operate and over time their behavior is shaped by successive demonstration of others' actions.

Extending this to the logic behind why people withhold cooperation or choose to cooperate in the prisoners' dilemma, the outcomes of the single-play game are not fixed, but rather dependent upon the individual player's confidence or trust in the other player's moves. If the game is played repeatedly, the two players may begin to trust one another with successive plays and act cooperatively in a way that will enhance the outcomes for both players. Applying the prisoners' dilemma to understand why some actors cooperate while others withhold cooperation suggests

¹⁴Keyes, Langley C., Alex Schwartz, Avis C. Vidal, and Rachel Bratt, "Networks and Nonprofits: Opportunities and Challenges in an Era of Federal Devolution", Housing Policy Debate, Volume 7, Issue 2., p210

¹⁵ IBID, page 76 (cited in Keyes, Langley C., Alex Schwartz, Avis C. Vidal, and Rachel Bratt, "Networks and Nonprofits: Opportunities and Challenges in an Era of Federal Devolution", Housing Policy Debate, Volume 7, Issue 2., p210)

¹⁶IBID, p. 177

that individuals and groups will act cooperatively only when it is in their best economic interest to do so and when "trust" exists among actors.

Conceptual Framework

Based on my research on Codman Square's revitalization, elements of each of these theoretical frameworks emerged to inform me as to why some neighborhood actors were able to overcome problems of collective action whereas the large proportion of merchants operating in the business district were not. These frameworks, furthermore, enhanced my understanding of why Codman Square appears to have over time both flourished economically and remained stagnant and distressed.

To explore how the public choice theory, networks and social capital literatures explain why some actors have been able to overcome the prisoners' dilemma and problems of collective action while others have not, I borrow a conceptual framework "which falls between the civic involvement with which Putnam is concerned and the institutional economic framework of Powell" that Keyes, et al. applied to analyze the institutional network that supports non-profit affordable housing producers.¹⁷ In their analysis Keyes, et al. identified four themes to explain why institutions which support non-profit housing developers have overcome the problems of collective action and work together. These four themes are: long-term relationships of trust and reciprocity, shared vision, mutual interest and financial nexus.

This framework, which is a hybrid that draws upon both economic interest and civic-mindedness¹⁸ can be applied to Codman Square. I draw upon the four themes

¹⁷ Keyes, et al, p.210

¹⁸IBID, p210

that Keyes, et al. identified to explore my hypotheses about how neighborhood actors came together and cooperated around efforts to improve Codman Square and why a large percentage of merchants have not cooperated.

1) Long relationships of Trust and Reciprocity

Relationships based on trust and reciprocity among actors are a key ingredient in cooperation. On account of the rational tendency to "free ride", relationships based on trust and social mores secure cooperation. People who know each other well and have mutual respect for each other tend not to shirk and behave non-cooperatively. Conversely, if there is no trust among actors, they are risk-averse of acting alone and according to Sabel, "all will sacrifice the gains of cooperation to the safe, if less remunerative, autonomous pursuit of self-interest."¹⁹

2) Shared Vision

Cooperation requires a common ideology and shared beliefs through which actors can engage others. Without a shared vision, there are no other motivations or incentives to participate.

3) Mutual Interest

The non-excludable nature and the positive spillover effects of business district improvements suggest that benefits will not be singularly captured by the individual actor. However, when actors have "enlightened self interest" in following through with revitalization efforts and perceive that their interests are

¹⁹Charles F. Sabel, "Studied Trust: Building New Forms of Co-operation in a Volatile Economy, in Industrial Districts and Local Economic Regeneration", Frank Pyke and Werner Sengenberger, eds., 1992, Institute for Labour Studies, Geneva, p217.

"mutually dependent" on improvements to the business district, each will overcome their tendency toward inaction²⁰.

4) Financial Nexus

And, lastly, cooperative relationships among rational actors are also "derived solely from economic self-interest in which rational choice and financial interest are the bonding element."²¹

The application of the conceptual framework to the case study enabled me to look at Codman Square, a neighborhood business district that appeared to benefit from cooperation, and draw conclusions as to why merchants and other actors cooperate in business improvement efforts. It allowed me to trace through time the associations and collaborative efforts which were required to make both monumental physical improvements and discrete changes that led not only to positive outputs (i.e. the rehabilitation of a blighted anchor commercial property) but also positive outcomes which include the formation of alliances built on trust and reciprocity that became foundations for ongoing work.

Through applying the conceptual framework to the case study and drawing lessons learned from the literature on cooperation, I explore the motivations for and obstacles to merchant cooperation. I also identify circumstances and activities that are more successful than others in eliciting participation. To draw conclusions from this exploration, my analysis focuses on the perspective of the inner city merchant and his or her business constraints. In order to understand the implications for merchant cooperation I needed to look at such issues as the realities and perceptions

²⁰Keyes, et al., p212

²¹Keyes, et al., p212.

of operating in a high crime neighborhood and weak purchasing power in low income areas.

Methodology

The main source of information for this exploratory study was interviews with Codman Square merchants and people involved in business district improvement efforts. I spoke with a number of individuals who have been living or working in Codman Square for over 10 years.

I also spoke to public officials, professionals in the community development field, and individuals working on the same issues in other Boston neighborhood business districts in order to inform my findings and ground what I observed in a larger context.

In addition, I surveyed a number of Codman Square shoppers and residents and attended community-based meetings, and drew upon other sources such as program evaluations, market studies and research, and surveys which were conducted prior to my exploration.

I conducted a large portion of my field research between January and April 1997. As the focus of my analysis was on group and institutional relationships and on commercial and business development issues, I may have overlooked other important events and issues which affected the community and merchants' responses.

Codman Square's residents and merchants are ethnically, racially and economically diverse. However, due to the constraints of time, this thesis does not fully explore

issues of ethnicity, race and class. These issues and their effect on the relationships between Codman Square's merchants and their customer base and amongst themselves are subtle in nature that I was unable to fully penetrate in the course of my interviews. A more refined study into issues of race, ethnicity and class among Codman Square's merchants and customer base would be worthy of further exploration.

In the case of business district revitalization, cultural issues may also impose obstacles to cooperation for Codman Square's merchants. For example, there may be information gaps, such as disagreement over what constitutes an attractive storefront or even clean streets and sidewalks. Also, information may not be delivered in a manner that is comprehensible to the merchant, on account of language barriers. In addition, certain cultures may not encourage the promotion and development of business enterprises.

Although not fully exploring issues of race and ethnicity is a shortcoming of this study, a large volume of ethnic entrepreneurship literature exists. In particular, studies done by Halter, et al.²² provide useful insights into how cultural influences affect the development and support of businesses and the way that business is conducted.

²²Halter, Marilyn, ed., New Migrants in the Marketplace. Amherst, MA: University of Massachusetts Press, 1995.

Chapter Three. The Case Study

Introduction

The case study begins with a brief exploration of the structural changes that led to Codman Square's decline and the impacts these changes have had on the nature of retail businesses operating in the business district. I then trace through time the role of different actors in the catalytic and incremental activities that have led to Codman Square's revival since the late 1970s and the extent to which merchants cooperated in these efforts. In doing so, I identify common traits among these merchants and a number of obstacles they have faced in overcoming the problems of collective action. This exploration, thus, explains why Codman Square appears to flourish economically and yet remain distressed. I then review the revitalization efforts being carried out in Codman Square today and how merchants and other actors are responding to current challenges.

Background

Retail and Demographic Shifts

By the 1930s, Codman Square had become a thriving local commercial district which catered to the largely white, working and middle class residents of Dorchester. After World War II, a healthy mix of businesses drew people to the square -- with national clothing stores, specialty shops and small food stores arriving to complement a number of locally owned businesses. During the 1950s, however, the process of population decline in Boston's once vibrant neighborhood business districts and working class neighborhoods began to take hold. First, federal highways were built and bank policies encouraged families to move to nearby, inexpensive suburbs.

Between 1950 and 1960, Boston lost 13 percent of its population, a decrease of over 100,000, from 801,000 to 697,000 residents.²³

This trend toward outmigration was accelerated in the late 1960s during a period of racial and economic shifts in the residential areas surrounding Codman Square under the programs set in motion by the Boston Redevelopment Authority's Boston (Urban) Renewal Plan (BURP), Boston Banks Urban Renewal Group (B-BURG) and the city's Homesteading Program. Under these programs, mainly low-income, African American families were targeted for relocation into predominantly Jewish and Irish areas of Dorchester, Mattapan and Roxbury. The targeting of a limited geographic area within these neighborhoods combined with the unethical sales practices of many real estate brokers "created an eruption of panic selling, block busting, street violence and rage."²⁴

These policies destabilized many of the Dorchester, Roxbury and Mattapan neighborhoods around Codman Square -- particularly around Franklin Field and to the west of the square.²⁵ Many of the more affluent white residents who were living in these areas moved to neighboring cities and suburbs. Much of the housing stock to the west of Washington Street, concentrated in areas between Columbia Road to the north and Franklin Field to the south, was deeply affected. As a result of these programs, ten percent of the housing stock was left distressed and abandoned and the property values of the neighboring housing stock plummeted.²⁶

²³Levine and Harmon, p71

²⁴IBID, p.6

²⁵The banks in setting their target area drew a "red line" which fell along Washington Street. Much of the housing stock to the west of Washington Street was impacted.

²⁶Interview with William Walczak

These policies set in motion both demographic and economic changes which would be self reinforcing in Mattapan and Dorchester's neighborhood business districts. With suburban flight from these neighborhoods, locally owned retail and service companies began to leave Codman Square for surrounding areas to which the proprietors relocated such as Milton, Randolph and Canton.

By the early 1970s, the evolution of retail trade, shopping and commercial areas were also well in motion. Major anchor tenants were leaving inner city neighborhood business districts for suburban areas where new facilities, parking, security and cheap rents were complemented by a new concentration of purchasing power. Similarly, many of Codman Square's nationally owned businesses began to relocate, having sought out Metropolitan Boston's suburban locations such as the South Shore Plaza, a new mall which had opened in Braintree.²⁷ The increased mobility of Dorchester residents and willingness to travel to these new shopping centers drew customers away from local stores.²⁸

The flight of nationally and locally owned businesses ushered in a new succession of retail and service businesses. Market values and rents had become depressed in the business district, paving the way for opportunities for people with limited experience and capital to set up businesses. Many African Americans and new immigrant groups who had faced discrimination and other obstacles including access to credit began to set up business in Codman Square and other distressed, low rent neighborhood commercial areas in Boston.

²⁷Interview with Mike Stella

²⁸Codman Square Work Group report

Many of the new small businesses that arrived in the square during the 1970s were largely undercapitalized and struggled within an increasingly competitive retail environment with larger stores located in nearby malls and shopping centers. During this period the advent of the discount store also made it difficult for these stores and traditional retail districts to compete. Many of the businesses were sole proprietorships or had two or three employees, operated at the margins and either did not know how to be capitalized or may have faced discrimination by banks in obtaining loans, credit and technical assistance.

The customer base for these new merchants was primarily the growing low-income African American and West Indian populations who had begun to move into the neighborhoods of Dorchester, Mattapan and Roxbury and the residential sub-neighborhoods lying west of Washington Street. These businesses were unable to attract the largely moderate and middle income residents who lived in the surrounding Ashmont Hill and St. Marks sub-neighborhoods located to the east of Washington Street. The older businesses that remained in Codman Square did very little to adapt to the new competition and retail realities. Although the demographics of their customer base changed during this period, few of their business practices did.

Downward Spiral

By the late 1970s crime had become rampant and Codman Square was in a state of chaos. Increasingly, issues of violent crime, drugs, vandalism and arson began to unravel the viability of Codman Square and lead to disinvestment in the commercial district. According to the Boston Globe, after looting and rioting broke

out in the business district during the 1978 blizzard, "two dozen merchants left virtually overnight,"²⁹ including the two remaining grocery stores.

To many people, the old order of the City and local government had collapsed in Boston's inner city neighborhoods. During this period the City's focus on the downtown and urban renewal schemes took attention away from working class residential neighborhoods and commercial centers such as Codman Square. The problems and processes of urban decline were largely ignored -- and so were the needs of the residents and merchants located in Codman Square. There was also a perception that the Boston Police Department (BPD) had all but abandoned the predominantly non-white, low-income neighborhoods in Boston. When bussing came into the public school system it crippled any institutional ability that the schools could have had to improve the situation. This vacuum of institutions that could provide any solutions to the deep problems facing Codman Square resulted in a lack of hope and sense of what could be done.

By the end of the 1970s, Codman Square's most prominent commercial structure, the Lithgow office building, had been abandoned and boarded up; most of the other properties were distressed; and only a handful of merchants remained.

The Merchant's Response

With the exception of the banks, the businesses who stayed in Codman Square were for the most part owned and operated by independent business owners who did not leave, because they had an investment in the square.³⁰

²⁹Blanton, Kimberly, "New Life in Codman Square", Boston Sunday Globe, March 26, 1995.

³⁰Interview with Al Waterman

Although many merchants did not live in the immediate area, they generally spent many hours tending to business operations in the square. However, they generally had on blinders to what other actors were doing in the business district unless it directly impacted them and their businesses. If the business was productive, owners were generally preoccupied by the concerns of the business and if the business was not productive -- which was often the case -- it also required a lot of attention.³¹

Due to the combination of a chaotic environment and a lack of business know-how, many merchants remained largely marginal. Rents continued to be depressed in the square and more viable opportunities afforded by surrounding locations either did not appeal to these business owners or they were out of reach to them financially. There seemed to be a stagnation among merchants that set in during this period. Albeit operating at the margins, many of these business people were averse to change.

In addition, it appeared that City services had come to a complete stop in Codman Square. Trash pick up was neglected and there were no longer police foot patrols to make the merchants feel safe in an environment of increasing and sometimes violent crime.

Because the needs of merchants were largely ignored at City Hall, Al Waterman, the proprietor of ABC Printing Services, Inc., founded the Codman Square Merchants Association following the 1978 riots to address the need for representation of merchants and serve as a liaison to the mayor's office. At the time, Waterman and a few others recognized that they needed to get organized and attract the city's attention to issues that were of concern to merchants. The primary activity of the

³¹Interview with Mike Stella

Merchants Association was advocacy around issues such as the need for regular police presence and improved sanitation services. In addition, the Merchants Association organized three to four sidewalk sales per year and an annual Christmas Tree lighting. However, according to Waterman, he found that over the 10 years or so he was involved in the Merchants Association he "could not get any cooperation."³²

Waterman began to voice merchants' concerns intensely during this period, causing then-Mayor Kevin White to send a representative to the neighborhood. Although this representative attended Merchants Association meetings, there was a suspicion among the merchants that issues that they voiced were never delivered to City Hall as no attention was paid to address them.³³

Finally, the City began to send a business agent who would support the merchants with technical assistance and also serve as a liaison to the mayor's office. In many people's eyes, the business manager was "useless". He was a young college graduate who had limited experience and did not understand the nature of small business.³⁴ Merchants were also suspicious of any government involvement in their businesses. Some were operating without permits for various activities while others appear to have been weary of what an outsider could offer them.

³²At one point Waterman successfully organized 20 merchants to agree to having special trash receptacles placed in front of their stores which they would be responsible for emptying and maintaining. After Waterman negotiated with the city, crews came in and delivered only 11 receptacles. Although they were lined in concrete, most were set on fire within the first two days on the street. When they were replaced, they were never maintained by the merchants who had agreed to take care of them.

³³Interview with Al Waterman

³⁴Interview with Al Waterman

Moreover, efforts to secure merchant involvement in the Merchants Association itself was problematic. Some of the people who had joined the Merchants Association were employees who lived in the neighborhood, but it was difficult to get the proprietor to meetings. For three or four years, Waterman ran meetings that had little participation among the merchants. Although he tried to reach out to Hispanic, African American and other minority merchants, he had no luck. He would go door to door to invite these merchants to meetings. They all said, "yes, yes," they would go to the meeting, but none of them ever showed up.³⁵

Then, according to Waterman, of those merchants who did attend meetings, "one by one people lost interest." Waterman continued to run the Merchants Association for another five or six years as "a one man show" until he gave up, discouraged and disillusioned, believing that the city was not concerned with merchants' needs.³⁶

According to some people I interviewed, the Merchants Association was not viewed as an active force in the business district affairs during this period. It was seen rather as inactive, relatively ineffectual, and lacking in leadership to make it an all inclusive organization.

The Community's Response: Institution Building

By the late 1970s, a new movement had taken hold across the country in areas similar to Codman Square. In the 1960s inner city residents had begun to organize

³⁵Interview with Al Waterman

³⁶Over the course of 30 years, Waterman had numerous interactions with city officials. Throughout these interactions, Waterman "heard a lot of broken promises". For example, when Waterman's building had a fire in 1982, the city offered little help although officials had promised they would assist him. Throughout my lengthy discussion with Waterman, he asserted that it was not in the interest of the city to assist merchants. Instead, in the name of business district improvements, he saw a lot of city money pouring into Codman Square through the non-profit organizations rather than towards helping the square's businesses.

their communities and build institutions which responded to needs for safe, affordable housing and health and social services.

Neighborhood-based community health centers became the focal point of health and social service delivery in many distressed areas. These health centers were different than their affluent suburban or downtown hospital counterparts because they took on public health and social issues which were rooted in poverty, such as drug and alcohol abuse, poor nutrition and depression.

Community development corporations (CDCs) became the vehicles through which neighborhood activists sought to reclaim their distressed communities, eliminate blight and provide housing opportunities for low-income residents. These CDCs were governed by neighborhood residents who hired staff to undertake housing and commercial development projects.

In Codman Square grassroots efforts were launched through the work of a community-based health center and through community development corporations. The next section reviews the formation of these neighborhood institutions which laid the ground work for cooperative business district revitalization efforts.

Codman Square Health Center (CSHC)

In response to the dearth of affordable and accessible health care and community services available to neighborhood residents, a group of community activists, led by William Walczak incorporated the Codman Square Health Center (CSHC) in 1975. Although Walczak and others made many attempts to set up the health center in the basement of the public library, they faced opposition by Kevin White. White

capitulated to their demands in 1978, the year prior to the mayoral election, only after the community activists, accompanied by a group of residents, launched an embarrassing press conference that was covered widely in the local news media. From the beginning, the Health Center took a holistic approach to community health that went beyond providing medical, dental and mental health and included community outreach and services that supported its work. The Health Center hired neighborhood people and community activists, because it wanted its employees to become involved in neighborhood issues. It began to organize the community around health and nutrition and combine treatment with outreach campaigns, social services and community-based programs.

Community Development Corporations

The other area in which activism grew in Codman Square during the late 1970s was around the need to address the area's distressed housing stock and blighted commercial district. In 1978 the Codman Square Community Development Corporation was formed by community members to address the need to stabilize the local housing stock that was completely abandoned and blighted as a result of the B-BURG and the City's Homesteading programs. The next year Codman Square CDC began to undertake commercial ventures to address the need for a healthy business district. It opened Our Market to fill the void of grocery stores left by the two markets that had fled the square the previous year. Although limited staff capacity to make such a business venture work under such difficult market conditions forced the CDC to close the store the following year, it was unwavering in its desire to come up with solutions to the problems plaguing the business district.

WECAN, another CDC also emerged during this period. On account of the increasing collaboration at the staff level between the two groups, the two entities

merged into the Codman Square Housing Development Corporation (or HDC) in 1981.

The newly formed HDC continued to stabilize the distressed and abandoned housing in the neighborhood. Then the organization expanded into improving the affordable housing stock through the development and rehabilitation of multi-unit rental housing and small properties.

During this period, the Health Center and HDC were friendly with each other. Their staffs knew one another, were located in the same building for a while, and often discussed Codman Square issues.

Signs of Hope: Commercial Real Estate Development

In the early 1980s the HDC turned its efforts to a project that would combine housing and commercial development in the center of Codman Square. Located at the major intersection of Washington Street and Talbot Avenue, the Lithgow Building had been abandoned, vandalized and was boarded up. Adjacent to the Lithgow property along Talbot Avenue, several rental housing units were located in a run-down Tudor style development. For merchants and community members the blighted Lithgow Building and residential real estate cast a long, foreboding psychological shadow over the neighborhood and was symbolic of the neighborhood's decline.³⁷

During the 1983 mayoral election, politics drew attention to Codman Square and the need to rehabilitate the Lithgow Building. Many prominent city employees and politicians were residents of Dorchester and four of the seven candidates came out

³⁷ Interview with Mike Stella

to the business district to announce that they would rebuild Codman Square. And to many, the Lithgow Building, on account of its prominence and location, was the identity of Codman Square.

Shortly thereafter, the HDC responded to the City of Boston's request for proposals and was successful in its bid to acquire and rehabilitate the distressed Lithgow Building. It was an ambitious project and entailed not only the rehabilitation of the historic Lithgow Building, but also the construction of a two-story addition along Washington Street and multi-unit mixed-income housing on the site of the Tudor development. The HDC saw the project as a means to stimulate revitalization of Codman Square by bringing retail services into the neighborhood; provide affordable housing; and increase its own income stream.³⁸

By this point the HDC had established its legitimacy as both a community organization and as an accomplished housing developer. In addition, the HDC was successful in its bid to undertake the project, because it had garnered political support from other neighborhood groups, the Bank of Boston, and the political establishment. Although there had been a number of attempts to rehabilitate the Lithgow property prior to the HDC's involvement, these attempts failed largely because they did not receive broad neighborhood and political endorsement.

There was little opposition to the development among merchants and community members, because the building stood as such a symbol of blight. However, the real estate issues behind the Lithgow project required a lot of cooperation from its

³⁸Fernandes, David, Deb Chien, Diana Markel, Bob Pipik, and Mario Turner, "From Despair to Development: An Evaluation of the Lithgow Residential and Commercial Projects. Unpublished report, 1996, p16.

lenders and the City. In addition to acquiring the property from the City for \$1, the HDC needed the City's assistance to assemble seven land parcels and resolve a number of serious zoning issues around the property.³⁹

There were many delays and the development process dragged on for several years. On account of the complexity of the project, the City was slow to implement its part in the effort. During this period, the HDC received a lot of political support for the development. A number of people around the neighborhood came together to help the HDC put pressure on the Mayor's office to move the project along. However, it was not until the Boston Globe ran a front page story in its Sunday edition on December 31, 1989 whose title read: "Codman Square: The Promise not Kept" that the City put its full force behind the project⁴⁰. The project, which had taken a number of years to develop, eventually went into construction in 1990 and was completed in 1991.

There is widespread agreement that the rehabilitation of the Lithgow Building was a key catalyst for investment, successful business attraction and subsequent real estate transactions in the square.⁴¹ It not only removed tremendous blight from the center of the square, it also provided an attractive commercial property to draw the types of businesses and merchants that the square desperately needed at the time.

The Lithgow project also generated a lot of good will, fostering new relationships and strengthening existing ones, including the relationship the HDC had with its funders, the Bank of Boston, the City and with other neighborhood institutions.⁴²

³⁹IBID, p.6.

⁴⁰Interview with William Walczak

⁴¹Interview with William Walczak

⁴²Interview with William Walczak

The merchants in the square, however, were never engaged in the process nor did they lend any palpable support to the project.⁴³

The Action Agenda: Community Organizing and Shared Vision

During the period of the development of the Lithgow Building, the Health Center also became a catalyst in bringing people together in the neighborhood. In 1988 it received a grant from the Kellogg Foundation to work on infant mortality. Results of a Health Center survey revealed that infant mortality was actually low on the list of residents' concerns. The issues of primary concern to neighborhood residents were violence and drugs. Recognizing that these issues were ones that the Health Center could not take on by itself, Walczak convened the directors of the Dorchester Family YMCA, the Codman Square Housing Development Corporation, the Dorchester APAC and the Codman Square Neighborhood Council to form the Codman Square Task Force to work together on the neighborhood's problems.

Under Walczak's leadership, the Task Force congregated 300 community residents and institutional employees at a meeting and asked for support to do an assessment and strategic planning process around the major issues which were of concern to the neighborhood. Over 200 people participated in this effort which was known as the Action Agenda.

The Action Agenda was a unifying and empowering process and there was an increasing sense that things were moving forward. There was a lot of good will and trust generated by the Action Agenda and people began to look at new ways they

⁴³People who were very active in neighborhood issues had difficulty recalling any merchant involvement. The closest I came to identifying merchant engagement in the development came from Eva Clarke, neighborhood resident and current CDC co-chair. She recalled that the CDC had one meeting with the merchants.

could work together in efforts to address the business district and neighborhood's problems.

New collaborations between and among the institutions and organizations in the neighborhood began to spring up after the community planning process. For example, to address the problems of violence and drugs in the neighborhood, the Health Center and the YMCA recognized that there was a need for more positive programming to keep the area's youths off the streets, so they began a youth collaborative.

The Action Agenda also revived and empowered a relatively inactive Neighborhood Council to serve an advocacy and coordinating role among residents and groups in the square. At this point, the Neighborhood Council became the vehicle for all voices to be heard in Codman Square as well as its central civic association. While there were a number of block groups and sub-neighborhood associations, the Neighborhood Council became the only resident organization that advocated broadly for Codman Square. Neighborhood residents, institutions and merchants came to address issues of concern at monthly meetings. In addition, a liaison officer from the mayor's office was assigned to these meetings, so by strengthening the Neighborhood Council, local actors created a powerful vehicle to gain political leverage with the City.

In addition to monthly community-wide meetings, the Codman Square Neighborhood Council worked to educate and inform local residents and merchants about its activities and opportunities for cooperative efforts through the publication of a newsletter. These activities produced the first signs of formal "networking" in Codman Square, though to a large degree they did not involve many merchants

unless they lived in the neighborhood. Although the Neighborhood Council did not attract many of the retail merchants, it did bring together small business owners, such as independent contractors who lived and worked in and around the square. Among these business owners, individuals such as Mike Stella and Ernest Ferguson became prominent community leaders and activists around business district improvements in their own right.

Coalition Building: Political and Financial Nexus

The Lithgow renovation and the work of the Action Agenda and the Neighborhood Council laid the ground work for new collaborative relationships among the institutions that had by that time emerged as major neighborhood actors. These institutions began to work with the City whose attitude and posture towards Codman Square had drastically changed since the late 1970s under the White Administration. Throughout this period, there was an increasing City commitment to address the needs of Boston's inner city neighborhoods and business districts. By the early 1990s, local government agencies had begun to work more collaboratively with neighborhood stakeholders such as the HDC.

The Codman Square Merchants Association (CSMA)

During the 1990 renovations to the Lithgow Building William Walczak of the Health Center, the Codman Square branch manager of the Bank of Boston Earl Riffle, and a handful of others decided to resurrect the inactive Merchants Association out of the need for a professional association in the business district. Some of the more solid and long-standing retail and service businesses in the neighborhood became involved as well. However, by that time, some merchants who had belonged to the original Merchants Association had either gone out of business or had lost interest. For example, by the time the revived Merchants

Association was initiated, Waterman's "heart wasn't in it."⁴⁴ He had since lost energy and any belief that the other merchants and the City would cooperate.

The Codman Square Merchants Association became a new voice for change in the business district. Although many of its members were also active in the Neighborhood Council, the CSMA was a vehicle through which people operating in the business district could come together, strategize and plan improvements themselves. The Neighborhood Council was seen as being more reactive by nature and a forum to address problems once they were identified. The nature of the CSMA was to be pro-active. The Codman Square Merchants Association quickly began to successfully forge new alliances and work toward improvements without widespread involvement on behalf of the majority of merchants.

Codman Square Enterprise Collaboration

The Lithgow renovation laid the ground work for new collaborative relationships among the neighborhood actors and the City. In the early 1990s, the City began to view neighborhood business districts as a center for job creation. At the time, the Flynn Administration believed that support to small businesses such as the mom and pop convenience stores would help create jobs for Boston's low-income residents⁴⁵.

The City introduced the Enterprise Collaboration program to assist small business development in a handful of neighborhood business district demonstration sites. The Flynn Administration chose to include and devote resources to Codman Square

⁴⁴Interview with Al Waterman

⁴⁵Interview with William Walczak. During this period, the City was influenced by the small business literature, on the most part associated with the work of David Birch. Birch's studies of the national economy revealed that small businesses were the largest source of new employment in the United States.

under the pilot program, because the City already had significant investment in the business district through the Lithgow rehabilitation. Moreover, the City believed that the Lithgow Project would increase the chances of program success. Through the Codman Square Enterprise Collaboration the members of the now-defunct Task Force began to work more closely with other organizations in Codman Square, the City's Public Facilities Department (PFD) and the Boston Police Department (BPD) in a coordinated effort to improve the commercial district.

The original Task Force members brought together the Codman Square Merchants Association, the Four Corners Merchants Association, Greenwood United Methodist Church, Dorchester District Court, and Dorchester Substance Abuse Training Project to work with PFD and the BPD. These groups began to work together under the auspices of the Enterprise Collaboration to promote business development in Codman Square and reduce the amount of gang activity and violence that had escalated in the area.

Working closely with the Merchants Association, PFD's Neighborhood Business manager, Lori Holliday, played a pivotal role which had been missing in Codman Square. Holliday took over the responsibility of recruiting new business people to and running monthly Merchants Association meetings. In addition, she worked with CSMA officers and members to identify businesses that were needed in the square. As a result of her efforts she attracted merchants to meetings and recruited several new businesses to Codman Square.

Business Development

Holliday recognized that it would be difficult to attract new businesses to the commercial district due to its reputation as a high crime area. Therefore, she worked

to improve the perceptions of Codman Square among prospective tenants. During their site visits to the business district, Holliday made sure that things were in place to give these individuals a sense that there was a positive and supportive environment in Codman Square. For these visits, she orchestrated a number of people to cooperate. As an example, when Amad Onijiogu, the owner of a pharmacy in the South End came to Codman Square to look at vacant space in the Lithgow Building, Holliday arranged for BPD Captain Dunford to make a courtesy call. She also secured cooperation from neighboring business owners. Around the time of Onijiogu's arrival, merchants emerged from their stores to sweep the sidewalks and wave hello.

Under the Public Facilities Department's Neighborhood Enterprise Loan Program, Holliday also had the resources to attract new businesses to Codman Square's business district. She was able to offer technical assistance through packaging low-interest loans; assist business owners secure PFD technical assistance grants (to assist the business owner with writing business plans, for example); and facilitate any permitting required in setting up the business. In addition, she assisted the new merchants set up their stores. She helped them stock merchandise, wash the floors and clean the windows.

Under this cooperative effort, a number of the small businesses who were recruited were the types of businesses the square desperately needed. Not only did they add value in terms of the business mix (residents had their first pharmacy in more than two decades), they were also owned by a new type of merchant to Codman Square. These merchants were interested in making their businesses grow, expand their

customer base and realized the importance of networking and improving the business district.⁴⁶

Merchant Cooperation

Holliday also assisted the existing merchants. She recognized that the merchants needed an advocate and friend at City Hall. She sought to put a "kinder, gentler face on government, to give merchants a friend" and make them feel that the City and police department were there to assist them.⁴⁷ By visiting them individually, she learned about their problems operating in such a distressed area and began to help them in any way she could. For example, she kept her eye out for the most competitive prices in the area for the products that the merchants sold. When she found about more favorable merchandise prices at local supermarkets than at the cash and carry wholesalers they used, she would inform the convenience store owners and occasionally drive them out to the sales herself.

By keeping in close contact with the merchants, Holliday learned about specific problems that they were having. For example, a Chinese restaurant owner was fearful of Codman Square's crime and intimidated by his primarily African American customers. In addition, he was troubled that people would hang out around his storefront. As a reaction to his general unease with this unfamiliar setting and customer base, he would treat his customers with hostility. Holliday suggested that he become acquainted with his customers and stressed the need for him to develop relationships with them. Taking Holliday's advice, his efforts to get to know his customers had positive results. He began to feel more comfortable and safe, and, in turn, provide better customer service.

⁴⁶ Interviews with Karla Brown and Ernest McGee, two merchants who set up business in Codman Square during this period.

⁴⁷ Interview with Lori Holliday

Through Holliday's work, she began to develop trust and build relationships with the merchants. She recruited them to Merchants Association meetings. This was initially difficult to do, because for many of the proprietors of the marginal businesses, it meant that they had to close up shop to attend meetings. However, it was not long before the Merchants Association meetings were filled with merchants. Merchants were attracted to the meetings because Holliday kept the agenda focused on merchants' needs. Holliday attributes to high attendance and participating in activities such as sidewalk sales and fundraising around a Christmas tree lighting to the fact that the merchants felt a "part of what was going on". The merchants started to get to know each other. Even merchants such as Leonard Wolfe of Jordy's Men Store who had been in business in Codman Square for decades for the first time became acquainted with Codman Square merchants other than those who operated businesses located on the same block on Washington Street as his.⁴⁸

Community Policing and Retail Security

After the 1990 real estate collapse in Boston, crime had escalated again in Codman Square and there were many more drugs and guns in the square than ever before. Increasingly, the neighborhood was witnessing gang activity, youth killings robberies and even shootings of merchants. That year the figures on violent crime in Boston overall had also skyrocketed to the point where then-Governor Michael Dukakis announced that he would loan state police officers to the City to alleviate what was considered a crisis situation.

⁴⁸Interview with Lori Holliday

At that time, the BPD had begun to work more closely with the neighborhood groups to address the problems of gang-related violence. With more police focus on Codman Square, the Merchants Association orchestrated a meeting with the BPD Superintendent to address the crime issue in the business district. For more than ten years, the businesses and the institutions had been asking the BPD for a walking detail, but the reply had always been that the police department did not have enough staff to provide a beat cop. At the meeting, members of the Merchants Association convinced the superintendent to assign a foot patrolman to Codman Square.

The superintendent partially delivered on his promise -- within two weeks two motorcycle police officers appeared on the square. After many phone calls by CSMA members, a permanent beat cop appeared. Many credit the police officer who was assigned to Codman Square, a man named "Buck" Buchanan, with restoring order in the square.⁴⁹ He not only "moved people along", he made it his business to become a presence in the square and acquainted with everyone.

The ability to attract and work with a beat officer and the positive working relationship neighborhood organizations had with individuals such as police district Captain Dunford are good examples of how the members of the Codman Square Merchants Association, Neighborhood Council and other organizations in the square banded together and worked with the City to address a broad issue that made a positive impact on the business district.

The CSMA did not stop with securing a walking patrolman in its efforts to ensure public safety. Members of the Merchants Association continued to monitor and

⁴⁹Interview with William Walczak

advocate for a safe Codman Square. Members regularly visited individual business owners to find out what problems continued to plague them. Out of the feed back that it received from merchants, the Merchants Association had sufficient evidence to make the case for having a police officer on call, so its members lobbied the BPD for a beeper system. As a result, the beat officer assigned to Codman Square now carries a beeper. Merchants and institutions have their own identifying code that instantly alerts the police officers to situations. This effort has not only prevented crime, but has also fostered an increased sense of security among merchants and institutions.⁵⁰

Moreover, during this period, the Merchants Association, Neighborhood Council, and other actors came together regularly to exert their political muscle as a coalition. When the Merchants Association called City Hall to pick up the trash that had collected on the streets due to irregular pick ups, the city responded and kept to the precise pick up schedule for several months at a time.

Codman Square Today

The Network: Long relationships of Trust and Reciprocity

During the early period of Codman Square's revival, the neighborhood institutions were also growing and becoming strong actors in their own right. Their expansion resulted in real estate development of new facilities to accommodate the increase in new employees and programs. In 1991 the Health Center purchased an abandoned nursing home across Washington Street from the Lithgow Building and undertook a major expansion of its facilities. The Health Center put \$ 6 million into rehabilitating the center which now houses a majority of its services and employees. The Kit Clark Senior Center on Washington Street also underwent a major

⁵⁰Interview with Charles Gordon

rehabilitation. In addition to the Lithgow Building, these projects were important to the revitalization of Codman Square because they lent to economic development in terms of rehabilitating and developing property and through job creation. They were also important because they each created day to day activity in the square that had not existed before.

Moreover, many of Codman Square's economic and social functions are performed by the non-profit institutional members of the network. The Codman Square Health Center and YMCA provide a setting and set of activities which have become a focus for community involvement. In addition, the Health Center, along with the Kit Clark Senior Center, Dorchester Counseling Services and Dennison House extend many useful services to the neighborhood's residents. With BankBoston⁵¹ and Citizen Bank branches located at and near the center of the square, merchants and residents have access to full banking services. The Codman Square HDC -- which has since changed its name to the Codman Square Neighborhood Development Corporation (or NDC) -- provides resources and expertise to rehabilitate commercial and residential properties and carries out small business development activities.

The neighborhood organizations were largely started by the institutions and are strengthened and supported by them. In addition, many people living in or working in Codman Square belong to several neighborhood organizations. There is a trend among people to join other local groups once they belong to one. Although many do not show up for every meeting of every neighborhood group, they stay connected through the network of people who also do the same. This cross support

⁵¹As a result of its merger with BayBank in 1996, the Bank of Boston has been since renamed BankBoston.

of neighborhood groups strengthens the network and the activities on which they work.

The neighborhood organizations provide several vehicles through which these actors collaborate. These organizations play numerous roles in Codman Square -- to varying degrees they play an information exchange and monitoring role, watching over and informing others about what goes on in and around the neighborhood. They also play an advocacy role, by articulating the needs of groups members. And they play a service role, each one armed with a slightly different mandate. For example, the Neighborhood Council serves as a liaison to the Mayor's office, distributes a newsletter, and monitors real estate and business development that may be potentially "undesirable" to residents. The CSMA informs on business needs, such as status of police activities, parking and trash pick up issues. And the recently formed Main Streets program plays a planning role around design, promotion, organization, and economic development issues.

As an example of the imbeddedness of these network relationships and how the network is operationalized, the NDC works in partnership with other groups in the network through its residential rental and homeowner programs such as its collaboration with the Kit Clark Senior Center who will provide on-site management and support services at NDC-developed senior housing. In addition the NDC belongs to various neighborhood organizations such as the Codman Square Merchants Association and sits on committees of Codman Square's Main Streets program.

Gains over the past decade are highly visible and the attention to the work that needs to be done has not been broken. Instead, there has been a momentum that is

ongoing and entwined in the next project. This momentum is also incredibly resilient. People credit Codman Square to have on the most part weathered the recession and economic decline in the real estate market that hit Boston particularly hard in the early 1990s.⁵²

There is an overall sense of stability and reliability in Codman Square. Many of the early leaders, such as Walczak, are still active in the work of improving the business district. Mature institutions, businesses and organizations keep the focus on the square even when people change or move on as is the case with employees of the institutions and the City and neighborhood residents.

Residents, institutions and merchants have become less tolerant of some of the things happening around the square. They come together and play a major role in initiating changes -- they effectively shut down a bar in the area and forced a liquor store to scale back its hours. This has contributed to a positive spiral. Merchants have been attracted by this stake in the neighborhood and the community commitment has also ensured that a particular caliber of business is allowed into the business district.

By actively participating in neighborhood zoning hearings, residents have created a strong veto power to exclude businesses that they consider "undesirable". For example, when one establishment sought a permit for extended hours and alcohol, neighborhood residents successfully opposed it. According to long-time resident and NDC Board Co-Chair Eva Clarke, Codman Square is a good example of "confidence of residents and merchants in a neighborhood that continues to build

⁵²Interview with Mike Stella

because of the strength of both."⁵³ This continuity is reinforcing and has contributed to a positive spiral effect that Putnam and Powell suggest occurs when there is a trust and reciprocity among actors.

The Merchants

The Nature of Small Business in Codman Square

Since the late 1970s, there has been frequent and regular turnover in the small businesses operating in the business district. These businesses have been strikingly similar to those that arrived in the late 1960s and early 1970s as they have been for the most part marginal operations. In addition, Codman Square merchants have become more ethnically and racially diverse with an increasing number of West Indians, Koreans, Vietnamese, Latinos and African Americans setting up operations in the business district.

The economic recession that began in 1990 hit these small businesses particularly hard. Several store owners went out of business only to be replaced by a new group of marginal retailers who were attracted to Codman Square on account of its depressed commercial rents.

The majority of the businesses in Codman Square have been operating for less than five years. Typically, these marginal businesses fail within the first three years of operation. Only about 10% of businesses have been in operation for more than ten years and among this group, many of these merchants offer products at higher price points than the marginal merchants who retail convenience goods.⁵⁴

⁵³Interview with Eva Clarke

⁵⁴Interview with Charles Gordon

Many of the merchants are low income and started up their businesses with their savings and an idea. Many of these business people set up operations without prior business experience in the United States and without researching the market potential of their businesses.⁵⁵ As a result, many duplicate businesses, such as mom and pop convenience stores and beauty parlors, have sprung up in Codman Square.

Although there are many restaurants, beauty salons and retail and convenience shops, they primarily cater to a small and low-income customer base.⁵⁶ Many local middle class families and professional individuals who live and work in and around the square limit their business in the square to their banking, cleaning, and hardware needs. On the whole, these residents and employees take advantage of other retail and food outlets provided in nearby locations that offer goods which are better suited to their tastes, and more attractive shopping surroundings, selection and prices.

Property Owners

In spite of the positive spillover effects generated by the development of the Lithgow Building project, the small number of property owners who own a large percentage of the commercial real estate in the square contribute to this continuous cycle of marginal business development in the business district.⁵⁷ Rather than recruit more viable businesses, the business strategy of property owners is short-term. Their motivation is renting up their properties as quickly as possible and

⁵⁵Interviews with Charles Gordon and others.

⁵⁶ For example, in 1981, only 15 percent of the area's residents utilized the square for their shopping. (Codman Square Workshop, "Commercial Revitalization in Codman Square". Unpublished report, 1981.)

⁵⁷This problem was cited by many of the people with whom I spoke, including a number of people working in other neighborhood business districts in Boston.

putting as little investment into improvements as possible. Although they do not expect long-term leases from their tenants, they know that they do not have to expend resources or be accommodating to them. Should these businesses fail, there are many other potential merchant tenants to replace them. Thus, in spite of the opportunities presented by the Lithgow project, the trend toward rapid turnover of marginal small businesses in the square has changed little since the 1970s.

Obstacles to Cooperation

Approximately 70 percent of the businesses in Codman Square are in survival mode -- that is they know each day that they will open, close and be able to cover their bills.⁵⁸ Many of the merchants work long hours and six-day weeks. Few of these businesses have full time employees; most of the merchants rely on part-or full-time assistance of family, with few hiring non-family members. In addition to financial constraints, many of these merchants operate in fear of crime, which leads to a precarious existence and attitude toward planning in the longer term.

Moreover, another reason many of these businesses flounder, is that the proprietor does not seek out credit or technical assistance (e.g. in marketing, merchandising or accounting) to improve their businesses. This is not due to a lack of credit or technical assistance available in the Codman Square, but rather because many business owners are averse to taking on debt and reaching out for business assistance.⁵⁹ Their short-term inclination appears to be a barrier to assuming more

⁵⁸ Interview with Charles Gordon

⁵⁹ The majority of the small businesses in Codman Square have payroll and operating accounts at the local banks -- yet rarely do any seek out loans or technical assistance from branch managers or the business developers who call on the merchants from time to time. Although perhaps 90 percent of the merchants know Branch Manager Charles Gordon by face, few have ever approached him for advice or ask questions about business. In addition to the banks' services, the Codman Square Neighborhood

financial responsibility in operating their businesses. Many expressed an overall unease with borrowing money from the banks. To them there was little guarantee that assuming debt to improve their operations would lead to increased business. Many merchants are also limited in thinking about ways to broaden their customer base and, thus, have low expectation levels for their businesses.

In addition, merchants often have an adversarial or reluctant relationship with their landlords and their needs are not easily negotiated. Many landlords will not undertake inside improvements, leaving them to the merchant who has little confidence that improvements will increase business. In addition, some merchants worry that the landlord will charge a higher rent if they improve their stores.⁶⁰ In cases where merchants want to improve their storefronts, non-compliant property owners present obstacles to make their stores more attractive.

Although many of the older retail and service businesses have lost much business to surrounding retailers, few of them have made improvements in merchandising to cater to a broader customer base that they can now reach with enhanced activity in the square. Many of them enjoy a loyal, primarily local customer base and do not feel compelled to change.⁶¹ There is little incentive for them to fix up their facades. The storefronts of these businesses reflect this attitude. Many of them are well-worn and have a shabby, tired look to them which makes them look uninviting to prospective customers.

Development Corporation also runs a small business assistance program which has attracted few merchants.

⁶⁰One merchant indicated that she did not have a lease per se but that her landlord was continually trying to increase her rent, his argument being that he could easily receive more money by renting her space to other merchants.

⁶¹Interviews with Gartley, Waterman and McGee

Involvement of Merchants

During the period that the network emerged and coalesced, merchant involvement in neighborhood affairs increased, albeit for a short period of time. Because merchants had an advocate, someone to work with them individually and give them individual achievable tasks to do under the Enterprise Collaboration, they were part of what was happening in the business district. However, after the departure of Holliday who played a key role in focusing merchant association activities around merchants, a large proportion of small business owners stopped participating in meetings and activities. In their place, additional community institutions increased their involvement, further dissolving the "merchant" focus of monthly meetings and activities. With a few exceptions most merchants returned to being insular and have since become involved in business district issues only in rare instances.

According to Charles Gordon, Codman Square Bank Boston Branch Manager and current president of the Codman Square Merchants Association, the attendees at the monthly meetings often changes. However, he noted that there are "the big 10 and the little 10". The big 10 are the institutional and merchant members who come to meetings regularly. The merchant group is made up of owners and managers of some of the square's newer businesses as well as some businesses that have been around for a long time (e.g. longer than 10 years). Most of these businesses offer the singular outlet in the business district for the goods and services they retail.

The little 10 are a group of smaller, less active merchants who on the whole live in the nearby residential areas and attend meetings more out of curiosity than to take an active role in the CSMA. For example, this group often turns up at neighborhood meetings when the mayor comes to town. However, attracting these

people and other merchants to attend meetings on a regular basis continues to prove problematic.

According to former CSMA president Ernest Ferguson, merchants do go to meetings and become involved when they perceive that something will directly affect them. For example, many merchants turned out for a recent meeting to discuss the parking lot issue in Codman Square. The reason that the meeting brought merchants out was the fact that the new Dorchester Court House, which will draw hundreds of more people to the business district every weekday, was built without any parking. This has raised a large concern among merchants, residents, and institutions as the traffic and parking situation is already at a problem in the business district.

Gordon, other CSMA officers and some merchants noted that retail merchants are suspicious and distrustful of each other. They tend to be guarded with information concerning their business, behaving as if they were fearful that others may steal their ideas. It has been difficult to bring business owners together under these circumstances, because these merchants view each other, particularly those who provide the same or similar goods and services, as competitors.

Although the Merchants Association has tried to promote the business district and broaden the market for Codman Square's businesses, suspicious and shirking behavior has prevented the organization from working on activities such as joint business promotion efforts.

Codman Square Main Streets Program

Today, the focus of business district activities is around the Codman Square Main Streets program which was introduced in 1995 by Mayor Tom Menino. One goal of the program is to create an enabling environment for businesses to overcome the market failure experienced by operating in low-income areas.⁶² By providing a full time program manager and technical assistance from the National Trust for Historic Preservation's Main Street Center and PFD as well as increasing the involvement of neighborhood merchants and other stakeholders, the city seeks to improve the economic viability of neighborhood business districts. The Main Streets program strategies focus on achieving the following: coordination of the siting and selection of public infrastructure and leveraging public and private investment; physical improvement of the business district through efforts such as a facade improvement grants program; increase in local merchants' business through promotional activities; attraction of new retail outlets to improve the business mix; and the promotion of community pride in Boston's neighborhood business districts.

When the City issued a request for proposals for the Main Streets program to neighborhood organizations across Boston in early 1995, Codman Square's institutions and organizations embraced the program enthusiastically. Codman Square was among the first of five business districts to receive a Main Streets designation and begin the program in October 1995, because it was among the most organized.

The key players in the network are heavily involved in Main Streets. Codman Square Main Streets is strikingly similar to the formation of the Action Agenda and the revival of the Merchants Association in that it has brought together not only

⁶²Phone interview with John Dalzell

staff but also leadership from the institutions. The institutions with larger capacity such as the Health Center, NDC and BankBoston have a strong representation on Main Streets committees.

Main Streets does not seek to be an organization onto itself, per se, but is rather a mechanism for bringing merchants, institutions and residents together to plan business district improvements in coordination with the City.⁶³ In addition, Main Streets has become the vehicle for an even broader group of merchants to come together and work on improvements to Codman Square. It consists not only of the same group of "usual suspects" but it has also attracted the attention of some of the business district's small business and property owners.

Initially, there was little interest in Main Streets among these merchants. Many withheld participation until they saw others become involved. Many were suspicious of the change that Main Streets might bring and some merchants were worried that the program was about gentrification. Others were turned off by it, because they saw Main Streets as 'just another city program'.⁶⁴

On the whole, the new merchants who have become involved have been drawn to the program for what it might do for them rather than for what it might do to improve the business district. Although many of the merchants involved are the newer businesses who are already active in the network, some older businesses and property owners who are already looking to make improvements also participate. Under the Main Streets program these older businesses and property owners have been able to leverage matching grants for facade improvements.

⁶³Interview with Charles Gordon

⁶⁴Interviews with various Codman Square contacts

There is a lot of momentum in the square that people see as being tied to Main Streets. Merchants see a lot of flyers and people drop by to inform them about the program. Some are curious about how Main Streets can assist or will affect them. For example people are seeing physical improvements to neighboring merchants' storefronts. Three facade improvements with Main Streets funding have already been completed and another seven are in the pipeline.⁶⁵

In the first year of the program, there was no merchant interest in the facade improvement program. However, after the first application was accepted and renovations were underway during the summer of 1996, Main Streets received five grant applications shortly thereafter. Because they have become aware of improvements and grants funding for facade improvements, a number of small merchants attend Main Streets meetings to learn how Main Streets can help them. They also want to know who is doing what next. Curiosity about their neighbors is drawing people to meetings -- they want to know whether their competitors or the merchant next door is planning to fix up his or her business.

Conclusion

The period that followed WWII through the late 1970s was a period of tremendous upheaval and change. Codman Square experienced deep structural change through rapid demographic, commercial and political shifts that led to disinvestment in the business district. During this period, the merchants in the square evolved from a

⁶⁵On Washington Street, Dorchester Hardware and the businesses across the street including the Chinese restaurant, fish market and the Mobil gas station will undergo complete external renovations this summer.

number of sophisticated market retailers to a group of inexperienced entrepreneurs who catered to a low-income population. Local government had turned a deaf ear to the problems associated with disinvestment in the business district. Although a handful of merchants attempted to improve Codman Square through the work of a merchants association, they lacked the leadership and political capital to guide cooperative efforts and involve the other merchants who had little time or resources to get involved in revitalization efforts.

In the late 1970s, a network of institutions, organizations and residents emerged to address Codman Square's declining economic and social conditions that resulted from structural change. This network led business improvement efforts that have resulted in Codman Square's recent revival. Although this group has had difficulties involving the small merchants in their efforts, they have been able to undertake a range of activities that has led to Codman Square's revitalization without widespread merchant cooperation. In addition, the network and Codman Square have also benefited from city government's increasing support and willingness to cooperate in recent years.

In the next chapter I apply the conceptual framework introduced in chapter two to explain why the institutions were able to overcome problems associated with collective action and lead revitalization efforts that have resulted in Codman Square's recent revival, whereas to a large degree merchants have withheld cooperation.

Chapter Four. Analysis and Conclusion

Introduction

This thesis started with an assumption that merchants had played a role in revitalizing Codman Square's business district. I attempted to identify examples of merchant cooperation through the activities which led to revitalization and explore why Codman Square's merchants have cooperated with one another, community organizations and local government whereas in other neighborhood business districts merchants do not appear to cooperate.

Through the exploration of the activities that engendered changes and improvements in the business district, however, I found very little cooperation among the large majority of the merchants. Moreover, I found only one example in which an individual or group of merchants led attempts to improve the business district.

In this case study, I illustrate how improvements were, instead, led and carried out to a large degree by Codman Square's institutions. These institutions and the organizations they created and empowered not only grew to be strong, healthy entities in their own right but also a powerful network which has undertaken many activities that have led to Codman Square's revival. In addition, their ability to work with city government has enhanced their success in revitalization efforts.

Through real estate development and advocacy activities these institution-led network efforts have had tremendous spillover effects in the business district. The overall business and shopping environment has vastly improved. There are more potential shoppers in the district than ever before drawn largely by the institutions

and the overall improvement in the perception of public safety. Although some merchants have been a part of the network, their roles have been secondary.

In this chapter, I apply the conceptual framework that Keyes et al. developed from the literature on networks and social capital to explain why Codman Square's institutions and other stakeholders have been able to overcome the problems of collective action; promote economic development; and become entrepreneurial in leveraging their resources and political capital to address issues such as public safety.

I then apply the same framework to illustrate why a large percentage of Codman Square's merchants have not cooperated and continue to withhold cooperation. Following this analysis, I draw conclusions about the role merchants can be expected to play in business district improvement efforts and the extent to which their cooperation is needed. Finally, I describe the broader implications of my findings for improving neighborhood business districts that have similarly suffered from extended periods of economic and social decline.

The Network

1) Long relationships of Trust and Reciprocity

The Codman Square business district has benefited from having a number of civic minded institutions and individuals who have long standing relationships based on trust and reciprocity.

In practice, what has brought these people together are relationships they have with one another on three levels⁶⁶:

- i. they like each other -- they have known each other for a long time and over time have developed personal relationships;
- ii. they are engaged professionally -- they share a professional language and feel comfortable with professional engagements; and
- iii. they come from an institutional base from which formal and informal partnerships have been fostered over the years.

Many of these relationships date back to the late 1970s. Trust secured these relationships throughout the 1980s during the period of the development of the Lithgow project and through participating in the Action Agenda. The feeling of goodwill and hope that Codman Square could change which was generated from these activities led to faith or "trust" in what could be, and also in one another.

Over time, this "network" or web of institutions, organizations, and individuals has become imbedded into the social fabric of the community and strengthened by complementary relationships, formal and informal partnerships, and involvement in civic affairs. Members of the network come together regularly through monthly meetings, chance encounters on neighborhood streets and programmatic interactions. The network is easily mobilized when a serious issue impacting the business district arises. In my research I found that this network has brought about a virtuous circle -- strengthening of the relationships among these groups within the network is not only a requirement to undertake projects and improvements but also an outcome.

⁶⁶Interviews with Clarke and Stella

Social capital is also the glue that keeps these relationships intact by creating "social norms". There is also a balance that has come from knowing each other over a long period. While all members may not agree on an issue or have different styles, each actor respects the opinions of others and is willing to listen and work out differences.⁶⁷

In addition, Codman Square's network members have benefited individually and collectively from supportive relationships with its funders and the City of Boston. The city's change in attitude towards Codman Square over the past twenty years and increasingly cooperative approach to improving its neighborhood business districts has enhanced the ability of network actors to lead improvement efforts.

2) Mutual Interest

Codman Square has also benefited from having a dense concentration of institutions clustered around its center who share an enlightened self interest in improving the business district. Although business district improvements deliver wider positive spillover effects, members of the network also recognize that they mutually benefit. There exists a nexus between each entity's civic minded way of doing business and its own self interest to be engaged in revitalizing the commercial district. These institutions and members of the organizations have investment at stake which is mutually dependent on the health and safety of the business district.

⁶⁷ Gittell and Thompson cite Putnam and Uzzi to explain why actors who are members of deeply imbedded networks work together to solve problems. Gittell and Thompson suggest that under these circumstances, "firms are more likely to work out problems because of the density of their interaction and the high cost to exercising the exit option". (Gittell, Ross J. and Phillip Thompson, "Business Development and Entrepreneurship in the Inner City: Frontiers for Research and Practice." Unpublished draft, 1996, p11.)

3) Shared Vision

On a macro level, the network players share a common vision for a healthy business district. They recognize the need for increased public safety, an improvement in the business mix and the public infrastructure needed to support the business district. Through both dense ties and frequent interactions, the actors in the network share or exchange ideas which through accretion, emerge a shared vision through which on a more micro level, they come to agreement over specific activities. The demonstration of competencies and sharing of information in joint programs and meetings has created the space where network members can focus on what is both desirable and possible.

Because no one actor or group of actors is stronger than the other, the relationships among network members frame or guide the strategies and actions. In turn, these interactions strengthen norms and identities among group members. Network actors are conscious of the need to develop a shared vision based on the rational self interest of others. Moreover, this dynamic rewards cooperative efforts and sanctions misbehavior when one actor does not bring others on board.

4) Financial Nexus

In addition to the "enlightened self interest" there is also an economic rationale and motivation behind network member involvement. The health of the business district directly impacts the institutions and members of the organizations financially. To varying degrees, their income is dependent on fee-based services and, therefore, they are reliant on attracting clients to the business district. Moreover, as these institutions grew, the more investment they had at stake (i.e. properties, tenants, and clients), and also resources to expend toward improvement efforts.

The Merchants

In my research, I identified two groups of merchants:

- 1) merchants who cooperate with others
- 2) merchants who do not cooperate with others

1) Merchants who cooperate with others

The merchants who cooperate are those whose interests are aligned with the network. They have relationships with network members based on trust and reciprocity; recognize that the health of their businesses and the health of the business district are mutually dependent; share a vision for an improved Codman Square; and recognize financial nexus in becoming involved with the network. Although these merchants range from the old timers to new comers they share these beliefs, albeit to varying extents. In my research, however, I could not identify any business owners whom I have described throughout this thesis as "marginal" to be involved in the network. Rather, the merchants who cooperate share some common characteristics. They tend to own businesses which fill a unique market niche in the square and/or tend to be motivated to expand their client base and value the mechanism for networking that the Merchants Association and other organizations offer them.

Table 1 summarizes the propensity of Codman Square's merchants to cooperate by business health status:

Table One: Summary of Retail Businesses involved in Business District Activities

<u>Business Health</u>	<u><10 years</u>	<u>> 10 years</u>	<u>Duplicate business</u>	<u>Cooperates</u>
Healthy	few	few	some	yes
Marginal	many	few	most	no

2) Merchants who do not cooperate with others

Among the merchants who do not cooperate with others, their businesses tend to be undercapitalized and marginal, have uninviting storefronts and unattractive shopping environments. During my interviews, I identified a number of traits which characterize the majority of these merchants:

- i. Many of these merchants did not have prior experience operating a business in the United States before opening their businesses in Codman Square. Many did not conduct market research before opening up their operations and lack the basic knowledge of merchandising to improve their selection and quality of goods.
- ii. Many merchants are low-income themselves, operate in survival mode and lack the time and resources to become involved in business district revitalization efforts or to improve their own businesses. Few keep good records and most appear to operate on a cash basis. Many seem not to possess the business know-how to become more capitalized and to these merchants the opportunity costs of getting organized and taking on debt is greater than the benefits of accessing capital.
- iii. There is a high degree of ethnic and racial diversity among Codman Square's merchants. The way merchants conduct business may be highly influenced by culture and custom.
- iv. Many merchants perceive that their customer base is fixed -- they have low expectations about developing new business. These merchants are, moreover, highly skeptical that store improvements will increase their customer base and volume of business.
- v. Because some merchants operate without permits and many of them conduct their operations on a cash basis, they are averse to having others involved in their business, including government.

Applying the conceptual framework to explain why this set of merchants does not cooperate sheds light on how these traits present obstacles to engaging merchants in broader business district revitalization activities:

1) Long relationships of Trust and Reciprocity

Over the years, the foundation for merchants cooperation was never built among the small, marginal business owners. Members of this "non-cooperating" group of small merchants do not have long-term relationships of trust and reciprocity with one another and the network of institutions and organizations due to time and resource constraints that preclude their participation in community activities and due to regular turnover of merchants operating in the business district.

Rather, time constraints and preoccupation with their businesses has allowed suspicion and jealousy to prevent this group of merchants from becoming acquainted or trust one another. As a result, many of these merchants work in isolation from other actors in the business district.

In cases of long-standing merchants who do not cooperate, trust was either never fostered or it was broken. In some cases, merchants have tried over the years to bring people together and due to their unsuccessful efforts have become disillusioned.

In addition, many merchants do not hold a high regard for the City, believing that it has competing interests with them. Because they have been told in the past that the City would help them and they believe it never delivered on its promises, many merchants have become embittered toward local government.

In some cases merchants do see the city helping, but that help is directed towards the concerns of the non-profits. Over time, these merchants have witnessed public and private funding of the non-profit organizations but have not to seen the same support given to address the problems of merchants. In addition, some perceive that many of the institutions are somehow connected to the city. On the whole, these merchants view organizations, such as the Merchants Association, as being for "others" and not for them.

2) Shared Vision

Merchants share a vision in so much that they commonly perceive that people will patronize their stores regardless of whether their businesses or Codman Square looks any better or not. Many merchants see their customer base as independent of the business district. Many of these businesses have their own clientele that they have developed over the years based on relationships and word of mouth. To many, they are already too overtaxed to work toward expanding this customer base. Although they are working at the margins in most cases, the opportunity costs of expending the time and resources associated with becoming involved and/or working toward increasing their customer base are too great.

Moreover, the scarcity of merchants' resources means that they do not share common ideas with others in the square. Although they would like to see improvements to the square, their major concern is with their businesses. On account of their fear of break-ins, they cannot afford to think of the broader implications of their actions and how they will affect the business district or how their businesses look to potential customers.

For example, many of the merchants have solid metal grates that they roll down during non-business hours as their only means of protecting their stores. Others have heavy wire mesh grates that enclose the store during business hours as well. These grates make not only the stores but the business district unattractive and creates the perception that the neighborhood is not safe to potential customers. However, having grates across their storefronts is the logical solution for merchants. They cannot afford to "trust" that people will not break into their stores, because many merchants do not have insurance.

3) Mutual Interest

Most merchants do not have the enlightened self interest of the other actors to work on business revitalization efforts. Although some merchants are curious about what is happening in Codman Square, merchants are not activists.

On the whole they see others as responsible for taking care of the business district. Therefore, activities focused on issues of concern by merchants also face the free rider problem. When merchants perceive that others are voicing their concerns or working with the police already, then it is easy to shirk and let others take care of the problem.

4) Financial Nexus

Many of Codman Square's business and property owners believe that improvements will not increase the level of business that they will do in the square nor will they increase the business resale value. Therefore, there are few financial incentives to improving their stores and properties or becoming involved in larger efforts to improve the business district.

Moreover, because these merchants lack knowledge of sophisticated merchandising practices and they are weary of banks and taking on debt, little incentive also exists for these entrepreneurs to seek out sources of available technical assistance or credit to undertake store improvements, expand their businesses or offer competitively priced goods and services unless they perceive that customers will actually come to the business district and their market will increase.

Herein lies the ultimate merchants dilemma which is analogous to a single play round of the prisoner's dilemma. Residents may say "I'd shop there if the store carried XYZ" or other people may tell the merchants that if they expand their product lines and improve their stores, that people will patronize their shops. Yet, merchants have little evidence that this will actually happen. Even if potential customers come in for something they cannot find, they often do not express this to merchants, and even when they do, there is no guarantee that they will return or others will come to purchase these items. Although merchants say "I would carry the XYZ, if people shopped here" there is a sense that area competitors such as the larger stores carry these items and can do so at more competitive costs. And because the merchant does not seek out technical assistance that would help with merchandising or attend the Merchants Association meetings to find out what people need, the merchant has little comprehension of the actual market or the way to go about learning about it.

Many merchants become involved only when there is a direct threat to their business or when efforts otherwise appear to affect them directly. Their concern is for their businesses alone. They are beginning to become involved in Main Streets, because they view the program as being something that might help them financially or impact them in some way.

Similarly, to these merchants facade improvements that will ultimately lead to the appearance of the business district will not create any new business. If all the beauty parlors in the square have a tired appearance, then any one salon will not be worse off, because they will have equal footing. However, under the Main Streets program, merchants are beginning to see changes in Codman Square tied to the facade improvement program. Largely due to the perceptions that participation in Main Streets may financially benefit them, the program has been able to attract a handful of small businesses to its meetings.

Conclusion

The Role Merchants can be Expected to Play in Business District Improvement Efforts

This exploration of the processes behind Codman Square's revival enabled me to identify obstacles small merchants face to cooperate in revitalization activities. The marginal nature of the majority of Codman Square's businesses and constraints such as lack of business knowledge, time and resources preclude many merchants from becoming involved. On account of these obstacles, merchants do not have the long relationships of trust and reciprocity, shared vision, mutual interest and financial nexus to overcome problems of collective action to cooperate with one another or with other actors around business district improvement efforts.

Although this thesis is an exploratory study based on the experiences of one neighborhood business district, my analysis suggests that due to these obstacles -- which may hold true for small entrepreneurs operating in similar low-income, high crime commercial centers -- involvement of small merchants in cooperative improvement efforts is difficult to achieve.

The Extent to which Merchant Cooperation is Needed in Business District

Revitalization Efforts

This case study reveals that Codman Square benefited largely from its institutions, organizations and residents who overcame problems associated with collective action to undertake efforts which have greatly improved the business district. Contrary to what I had believed entering into my research, merchants contributed very little to the revitalization of Codman Square. Moreover, merchant cooperation was, in many cases, unnecessary because a critical mass of larger players came to the table who had the resources, mutual interest and political capital to lead improvement efforts. Many of the activities that these actors implemented also benefited from support and cooperation of city government but few required cooperation from merchants.

Implications for Practice

Revitalization Efforts in Distressed Inner City Business Districts

In current practice, the focus of many business revitalization programs is to concentrate resources on trying to get small, marginal businesses involved. However, this research suggests that higher outcomes may be achieved if efforts focus first on involving the larger and stronger entities who have the resources and mutual interest to undertake business district activities. Efforts to build relationships with and develop trust necessary to bring small merchants into improvement activities should be a secondary focus.

This case study demonstrates that effective cooperative efforts tend to involve entities with the most capacity and resources available to them to engage in collective activities. These activities prove to be more successful when it is in the interests of these actors to participate than when it is equally or more profitable to

withhold participation. When the interests of these actors are met, their commitment to the venture ensures the viability of the activities. Larger organizations often have substantial staff and office resources to contribute to the implementation of joint efforts. In addition, these actors tend to have more political clout within the community and with local government which also increases chances for success.

In Codman Square, the non-profit institutions emerged as the players in revitalization efforts. In other business districts, it may not be the institutions but rather larger merchants or property owners who have an enlightened self interest as well as a financial nexus and resources to undertake cooperative efforts to improve their commercial centers. An important first step in revitalization efforts is to identify and mobilize the actors with the resources to lead and sustain business district improvements.

Moreover, this case study suggests that the types of activities that larger entities can undertake can be in and of themselves catalysts for further improvements, investment, and broader participation. Rehabilitating distressed real estate and working on crime issues not only attracted new merchants but also built trust among stakeholders in Codman Square's business district. These types of activities lead not only to positive outputs such as removing blight, improving public safety and increasing investment in business districts but may also engender positive outcomes such as a laying the foundation for building trust among merchants and community members.

The Main Streets program described in the case study is a good example of how local government can involve the larger actors while offering something to everyone,

including the small merchants. For the larger actors, Main Streets is a vehicle to leverage city resources to physically improve the business district and attract new public and private investment. For the small merchants, the Main Streets grants program offers them the financial nexus to undertake improvements to their individual businesses. As an umbrella organization, its promotional and other activities also have the potential for building bridges and trust among merchants, local institutions and the city.

However, the obstacles identified in this case study such as time and resource constraints and lack of trust among most merchants may preclude many merchants from participating unless they see that efforts, such as the Main Streets program, have something to offer them beyond a facade improvement program. As Holliday's work under the Enterprise Collaboration illustrates, any efforts to involve small merchants need to address their need for an advocate who will work with them individually and provide technical assistance as needed.

Implications for Further Research

This thesis focused on the institutional and merchant relationships within Codman Square in order to identify why merchants cooperate or withhold cooperation in business district revitalization efforts. In the course of my research I found that issues of race, class and ethnicity may contribute to the relationship dynamics in Codman Square. Given the time limitations of my research and the subtlety of their influence, however, I was unable to explore these issues in sufficient depth. In order to build a richer understanding of my conclusions further study on the influences of race, class and ethnicity would be worthwhile to explore.

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List of Interviews

Josette Bapcist, Petite Caille Market

Sara Barcan, Codman Square Neighborhood Development Corporation

Joshua Bloom, National Trust for Historic Preservation Main Streets

Karla Brown, Ashmont Flowers Plus

Eva Clarke, Board Co-Chair, Codman Square Neighborhood Development Corporation

Mark Culliton, Upham's Corner Main Streets

John Dalzell, City of Boston Public Facilities Department

Ernest Ferguson, Ferguson Construction

James Ferris, Codman Square Neighborhood Development Corporation

Candice Gartley, resident Shawmut neighborhood of Codman Square

Charles Gordon, Codman Square Branch Manager, Bank Boston and President, Codman Square Merchants Association

Lori Holliday, City of Atlanta Empowerment Center

Katherine Kottaridis, Program Director, City of Boston Main Streets Program

Alvarro Lima, Urban Edge Housing Corporation

Manuel Martinez, Nuestra Comunidad Development Corporation

Ernest McGee, Codman Square Pharmacy

Kit Perkins, Jamaica Plain Neighborhood Development Corporation

Janice Richards, Seoul Wigs

Marie Rose Romain Murphy, Codman Square Main Streets

Jennifer Rose, Allston Village Main Streets

Mike Stella, resident of Ashmont neighborhood, Board Co-Chair, Codman Square Neighborhood Development Corporation

Mat Thall, Local Initiatives Support Corporation

Long Tran, Tran Jewelry

William Walczak, Codman Square Health Center

Al Waterman, ABC Printing Services, Inc.

James A. Webster, Vice President, Boston Chamber of Neighborhood Commerce

Pearl Williams, Codman Square Bakery

Appendices

Appendix One: Overview of Codman Square

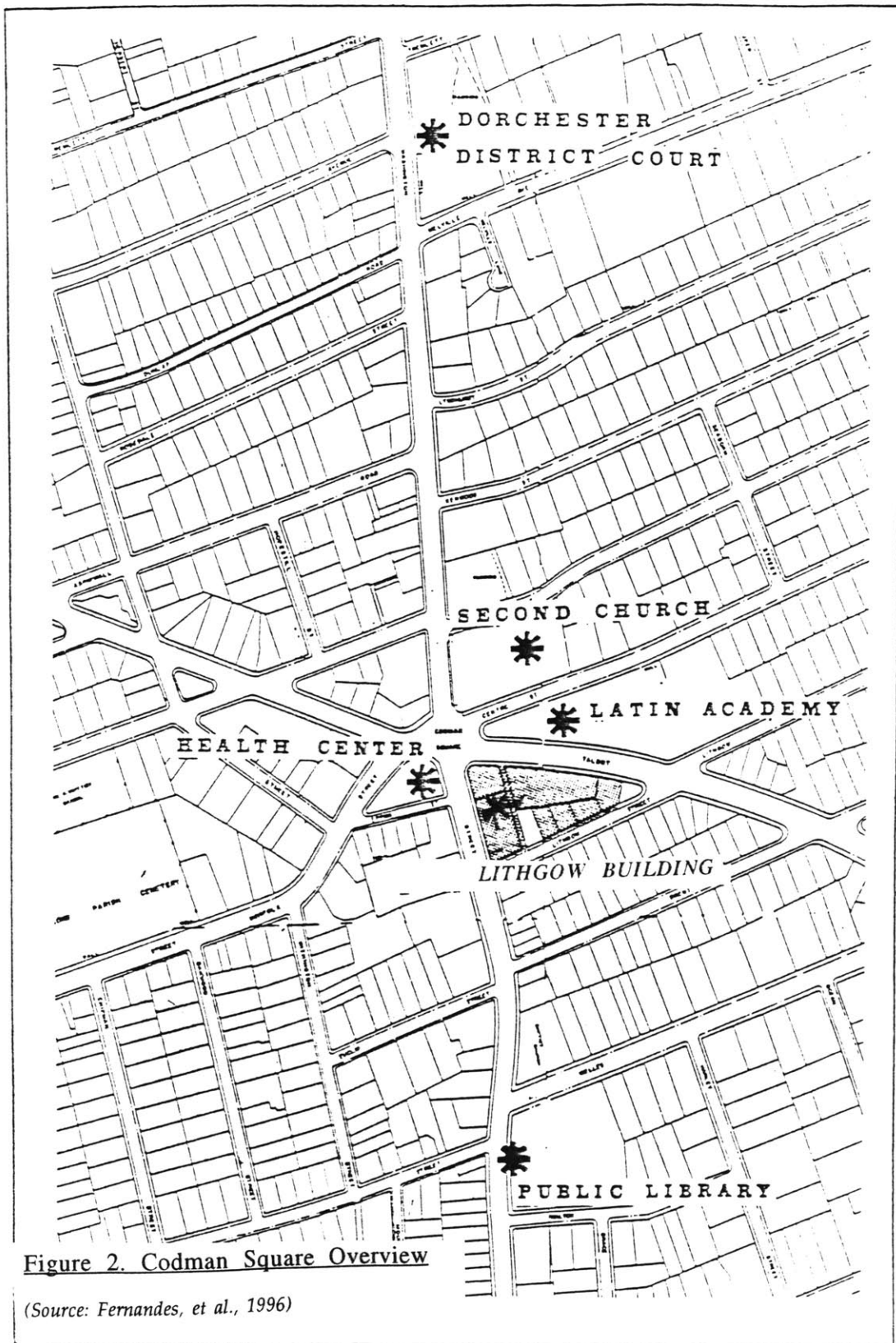
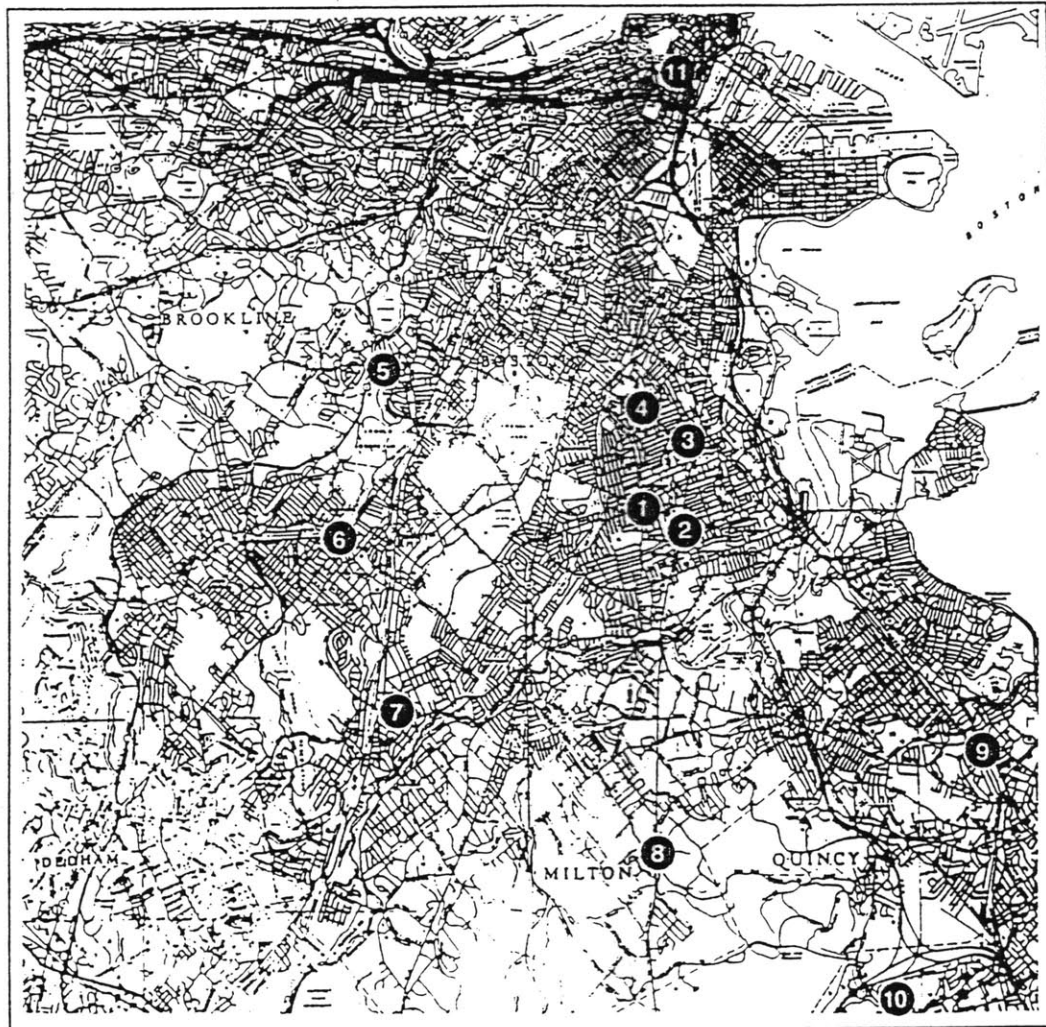


Figure 2. Codman Square Overview

(Source: Fernandes, et al., 1996)



**Figure 3. Codman Square and
Location of Competition**

- | | |
|----------------------|-----------------------|
| 1. Codman Square | 7. Cleary Square |
| 2. Ashmont Square | 8. Milton |
| 3. Fields Corner | 9. Quincy Center |
| 4. Grove Hall | 10. South Shore Plaza |
| 5. Centre Street | 11. Downtown Boston |
| 6. Roslindale Square | |

(Source: "Codman Square, Boston -- A Strategy for the Future",
Cambridge Systematics)

Appendix Two: Codman Square: 1970s - 1980s

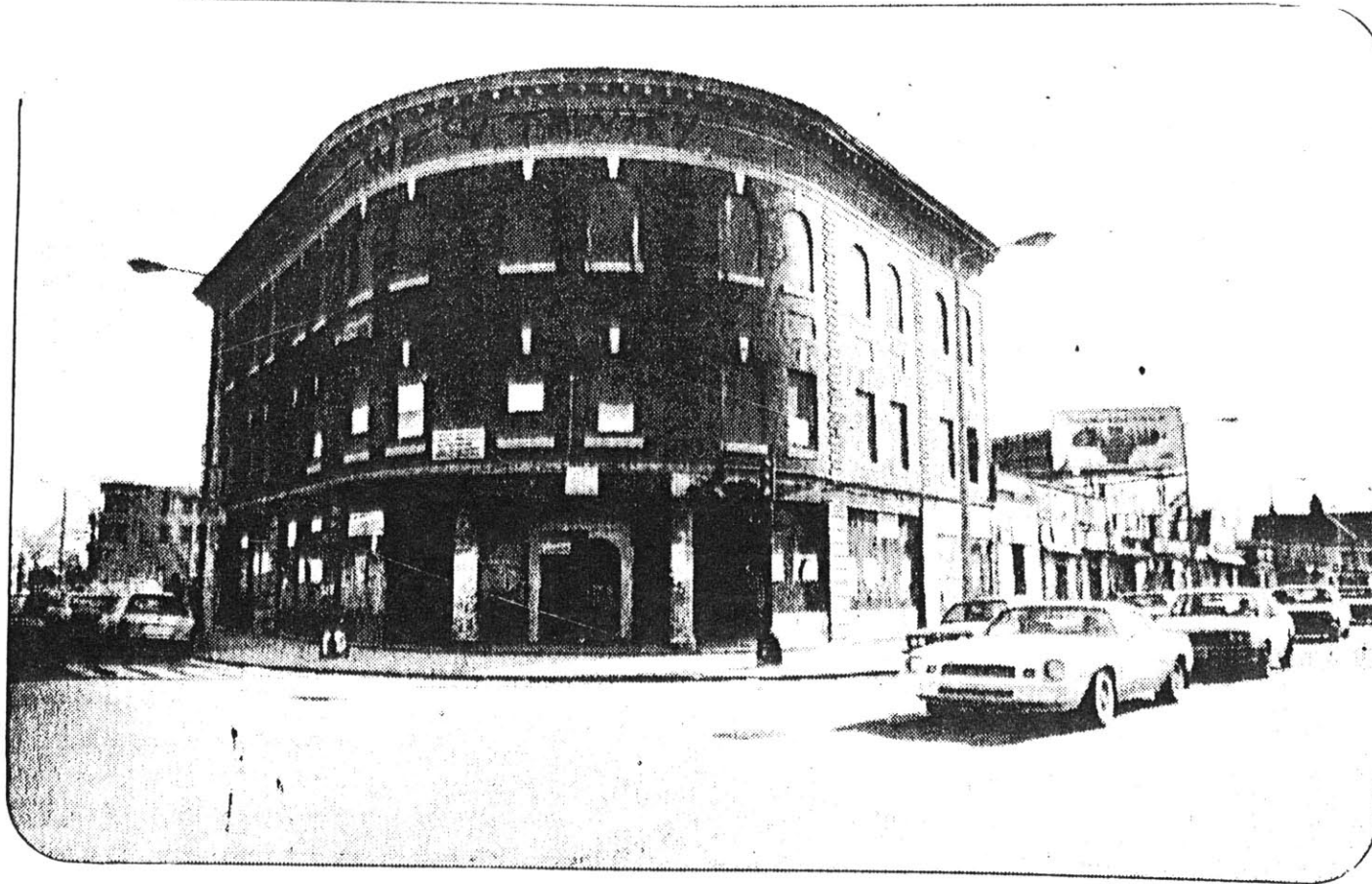


Figure 4. Southeast Corner of Intersection of Washington Street and Talbot Avenue
The Lithgow Building and abutting vacant store fronts circa 1990.

(Source: Fernandes, et al., 1996)

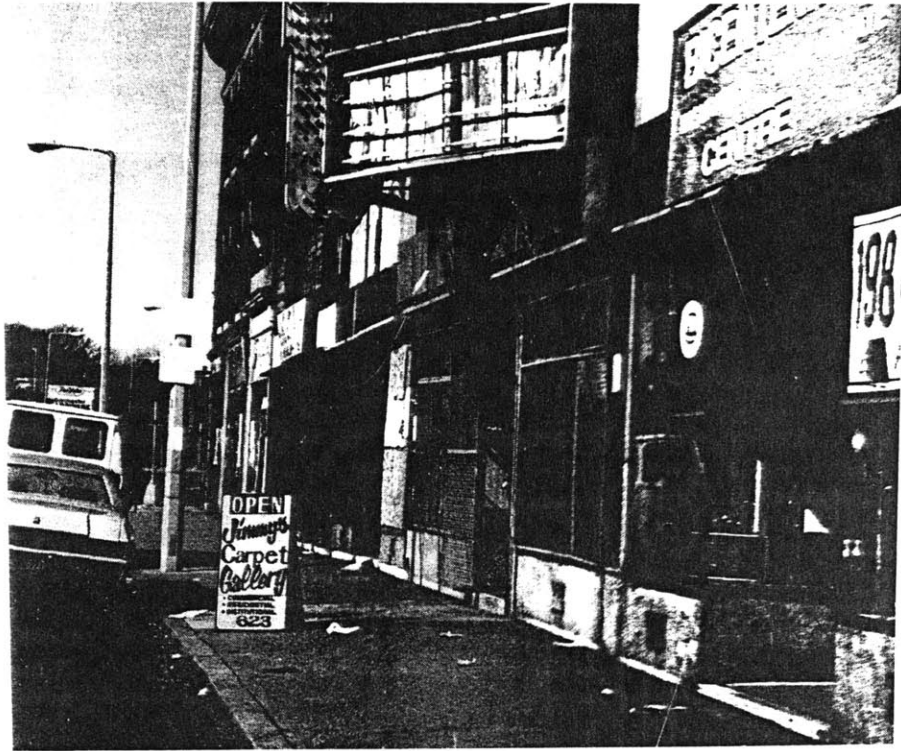


Figure 5. Southeast Washington Street, 1981

This retail strip illustrates the abandonment and disinvestment in Codman Square throughout the 1970s and 1980s. The taller building in the background is the abandoned Lithgow Building.

(Source: *Codman Square Work Group*, 1981)

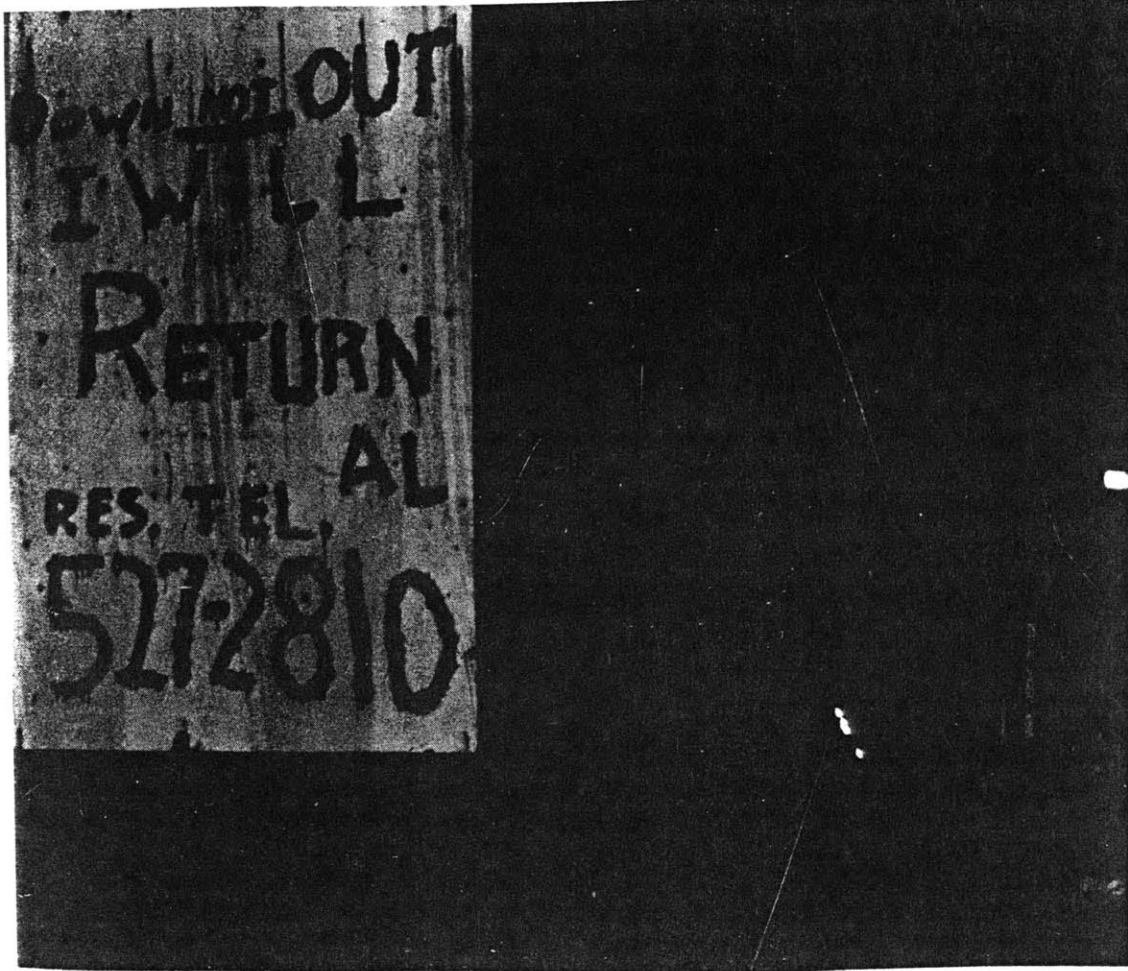


Figure 6. Sign outside of Codman Square retail store, 1978.

Following the looting during the Blizzard of 1978 many merchants fled Codman Square's business district or were forced to temporarily suspend operations.

(Source: Codman Square Work Group, 1981)



Figure 7. Southwest Washington Street, 1981

Across from the abandoned store fronts in Figure 6, this commercial block was considered to be one of the Codman Square's healthiest during the 1970s and early 1980s. This commercial block was later acquired and renovated to house the Kit Clark Senior Center.

(Source: Codman Square Work Group ,1981)

Appendix Three: Codman Square Today



Codman Square Today

LEGEND

1. Second Church
2. The Old Latin Academy Apartments
3. The Lithgow Apartments
4. The Lithgow Building
5. The Codman Square Health Center
6. The CSHC Neighborhood Center

(Source: CSNDC brochure)

The Lithgow Building



The Kit Clark Senior Center



The Kit Clark Senior Center
(This building is the same building in Figure 7)